

**AMMENDMENT TO DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
THE FALLS, SECTION ONE (1) AND SECTION TWO (2)**

2006 DEC 22 AM 10:40
LENE HAYEK
COLORADO CO. CLERK

THE STATE OF TEXAS §

§ KNOW BY ALL THESE MEN PRESENT

COUNTY OF COLORADO §

THAT on September 10, 1984, COLORADO OAKS ENTERPRISES, INC., a Texas corporation, executed a Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Declaration"), recorded in Volume 492, Page 181, of the Colorado County Deed Records, to which Declaration reference is hereby made, and which Declaration placed certain restrictions on the use of the following described land:

All that certain 105.83 acre tract of land in the Charles Fritsche Survey, Abstract No. A-199, and the Peter Piper Survey, Abstract No. A-447, and The Robert H. Tobin Survey, Abstract No. A-551, all in Colorado County, Texas, which is more particularly describes as follows:

All lots in The Falls Replat Section One (1) consisting of 169 lots,
All lots in The Falls Replat Section Two (2) consisting of 82 lots
All lots in The Falls Section Three (3) consisting of 6 lots
All of said lots being recorded in Slide No. 86, 85, 84, and 82 of the Map Records of Colorado County, Texas.

WHEREAS, The Declaration provides in Article VII, Section 1, that the Declaration may amend these Covenants, Conditions and Restrictions at any time (after the first twenty (20) years these Covenants are in effect) when a majority of the Lot Owners sign an instrument and record said instrument setting forth said changes is placed on record in the Real Property Records of Colorado County, Texas and

WHEREAS, The Texas Falls Corporation, A Texas corporation is the Developer as successor in interest to Colorado Oaks Enterprises, Inc. the original Declarant and Developer in the Declaration; and

WHEREAS, The Texas Falls Corporation, a Texas corporation as the Developer owns 157 lots of the 257 total lots in the The Falls Replat Section One, The Falls Replat Section Two and The Falls Section Three and

WHEREAS, The Texas Falls Corporation, owning the majority of the lots (61%) in The Falls Replat Section One, The Falls Replat Section Two and The Falls Section Three is desirous of amending the aforesaid Declaration as hereinafter set forth.

NOW, THEREFORE, the Declaration of Covenants, Conditions and Restrictions dated September 7, 1984, recorded in Volume 492, Page 181 of the Colorado County Deed Records is hereby amended as follows:

1. Article III, Use Restrictions of the Declaration is hereby amended to be named "Article III The Falls Resort and Golf Club Deed Restrictions" and has been completely revised, arranged and changed as shown on the Attachment Labeled "Article III The Falls Resort and Golf Club Deed Restrictions" said revision consisting of six pages in length..
2. Article IV, Architectural Control Committee of the Declaration is hereby completely amended in its entirety and is shown on the Attachment Labeled "Article IV, Architectural Control Committee" said revision consisting of two pages in length.

No other amendment to said Declaration of Covenants, Conditions and Restrictions are made by these Amendments and the undersigned Lot Owners hereby expressly ratify and confirm the provisions of the original Declaration as hereby amended, as covenants running with the herein described real property according to the terms of such Declaration.

In the event of any conflict between the terms and provisions of the Declaration and this Amendment, the terms and provisions of the Amendment shall govern and control.

IN WITNESS WHEREOF, the owner of the majority of lots in The Falls Replat Section One, The Falls Replat Section Two and The Falls Section Three have executed this Amendment as of the 21st day of December, 2006.

Dave C. Swalm
Dave C. Swalm,
President
The Texas Falls Corporation

The State of Texas
County of Colorado

Before me, the undersigned authority, on this day personally appeared, DAVE SWALM, of The Texas Falls Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

Given under my hand and seal of office on this 21st day of December, 2006.



C E Manning
Notary Public, State of Texas

CLAUDE MANNING
Printed Name of Notary Public

My Commission Expires: 12/8/10

Article III
The Falls Resort and Golf Club
Deed Restrictions

Section 1. Single Family Residential Construction.

No building shall be erected, altered or permitted to remain on any lot other than one detached single family dwelling used for residential purpose only, not to exceed two stories in height. Maximum height of building is twenty-eight (28) feet unless otherwise approved by the Architectural Control Committee. Each dwelling shall have a garage for not more than four (4) cars. As used herein, the term "Residential Purpose" shall be construed to prohibit mobile homes or trailers, being placed on the lots or the use of lots for garage apartments, or apartment houses, townhouse, duplexes, or any other such attached dwelling unit. No lot shall be used for business or professional purpose of any kind, nor for any commercial or manufacturing purpose. No building of any kind shall ever be moved onto any lot within THE FALLS without the written consent of the Architectural Control Committee.

Section 2. Location of the Improvements Upon the Lot.

No building shall be located on any lot nearer than ten (10) feet to the side property line or as shown on the recorded plat. On lots having a rear garage, no building may be located within five (5) feet of the rear property line. On lots having the garage in the front or the side, no building may be located within fifteen (15) feet of the rear property line.

Regardless of location, no garage may open facing the street.

On the ten (10) foot side building set back line, eaves, steps and unroofed terraces shall not be considered as part of a building; however, this shall not be construed to permit any portion of the construction on a lot to extend upon another lot. No building shall be located nearer than twenty (20) feet from the front property line or as shown on the recorded plat.

For the purposes of these restrictions, the front of each Lot shall coincide with and be the property line having the smallest or shortest dimension abutting a street. Unless otherwise approved in writing by the Architectural Control Committee, each main residence building will face the front of the Lot, and each detached garage will face and be located at least sixty-five (65) feet from the front of the Lot on which it is situated and will be provided with the driveway access from the front of the Lot only. All buildings must face the street to which it is addressed.

No garage shall open onto the golf course. No improvement or fill may be placed within twenty feet of the lake or golf course without the written consent of the Architectural Control Committee.

Section 3. Composite Building Site.

None of said lot shall be resubdivided. Any person owning two or more adjoining lots may consolidate such lots into a building site with the privilege of placing or constructing improvements as permitted herein in such resulting building site.

Section 4. Minimum Square Footage Within Improvements.

All lots within THE FALLS, SECTION ONE (1) SECTION TWO (2) and SECTION THREE (3) are restricted to minimum size of five thousand seven hundred seventy five square feet. All dwelling units shall have specified minimum square feet of living area exclusive of open porches, atriiums and garage as follows:

- A. For lots not abutting the golf course or lakes.
Section 1 lots minimum of 1,600 square feet.
Section 2 lots minimum of 1,600 square feet.
Section 3 lots minimum of 1,600 square feet.
- B. For golf course lots or those abutting a lake.
Section 1 lots minimum of 1,800 square feet.
Section 2 lots minimum of 1,800 square feet.
Section 3 lots minimum of 1,800 square feet.

Section 5 Type of Construction and Materials.

The exterior materials of the main residential structure and any attached garage shall be a minimum of 60 percent masonry, unless otherwise approved in writing by the Architectural Control Committee. Masonry is defined as brick, stone, stucco, or rock. (Hardi Plank is not considered masonry) No two residential structures of identical floor plan and elevation detail should be constructed closer than every fifth lot. Yellow, pink, or orange brick should not be used except where permission is given in writing by the Architectural Control Committee. The roof of any building shall be constructed or covered with any non-reflective, dark material with a minimum expected life of twenty (20) years. Asphalt, composition or metal are acceptable materials. The decisions regarding the use of any other type roofing material shall rest exclusively with the Architectural Control Committee. Wooden shingles of any type are strictly prohibited!

Section 6. Water and Sanitary Sewer.

No water wells, septic tanks or other similar utility related improvements are permitted on any lot. Each lot shall utilize the water and sanitary sewer systems provided by the Municipal Utility District. The M.U.D shall have the right to assess and collect a tap fee for such water and sewer, utility service. At such time as utility service from the M.U.D is available to the boundary of a lot, the owner of said lot shall pay a standby fee for such utility service not to exceed 15.00 dollars per month, commencing on the first day of the next month succeeding installation of service.

Section 7. Walls and Fences.

No fence or wall shall be erected, placed, or altered on any lot nearer to any street than the front wall of the existing residence . The Architectural Control Committee may at its discretion permit variances on fence location if approved in writing. All fencing for interior lots shall be of wrought iron. Walls can be brick, stucco, decorative concrete or native stone. All fencing or walls must be approved by the Architectural Control Committee prior to erection.

The only permitted fence on the golf course lots shall be constructed of brick columns and wrought iron or all wrought iron so that the view to the golf course is not impaired. Maximum height must be five (5) feet.

However, fencing if installed adjacent to major thoroughfares or public spaces, must be a standard design material and color as approved by the Architectural Control Committee. No fence shall exceed 6 feet in height nor shall any item be placed on the top of any fence without written

permission from the Architectural Control Committee. All fences or walls hereafter placed on the common boundary line of any two lots in the subdivision shall be jointly owned and maintained by each of the adjoining lot owners. All screen fencing or walls located on reserves adjacent to the lots listed above will be maintained by the Falls Owners Association Inc.

Section 8. Window Air Conditioning.

No window or wall type air conditioning shall be permitted to be used, erected, placed or maintained on or in any building in any part of the properties, however the Architectural Control Committee, may at its discretion permit window or wall type air conditioners to be installed if such unit, when installed, shall not be visible from a street. Such permission, if granted, must be in writing.

Section 9. Use of Temporary Structures.

No structures of a temporary character such as mobile home, trailer, tent, shed, garage or other temporary building of any nature shall be placed or constructed on any lot for residential purpose. A temporary office or work shed, may, may be installed following approval by the Architectural Control Committee as long as it is maintained by a building contractor or sales agency in connection with the erecting and sale of a dwelling in the subdivision, but such temporary structures shall be removed at completion of construction or ten days following notice from Declarant or its assigns. Outbuildings including portable structures used for accessory or storage purpose shall be limited to a maximum of 8 feet in height and 120 feet of floor space, and must be compatible in style with the architecture of the main building and is subject to approval from the Architectural Control Committee.

Section 10. Use of Garage.

No garage of any residential structure shall be used for any purpose other than the storage of motor vehicles. Specifically, no garage shall be used for permanent storage of building materials, tools, etc. in such a manner as to preclude it's use for the parking of automobiles nor shall any garage be converted to living space, such use of which would preclude the parking of automobiles. The Declarant reserves the right to allow the temporary use of a garage within model homes as a sales office.

Section 11. Storage of Automobiles, Boats, Trailers and Other Vehicles.

No trucks, trailers, boats, automobiles, campers or other vehicles shall be stored, parked or kept on any driveway, in the front yard, or in the street in front of the lot unless such vehicle is in day to day use off the premises and such parking is only temporary from day to day, not to exceed 48 hours in duration. Permanent and semi permanent storage of such items and vehicles must be screened from public view, either within the garage or behind the fence that encloses the rear of the lot.

Section 12. Visual Obstruction at the Intersections of Public Streets.

No object or thing that obstructs sight lines at elevations between two (2) feet and eight (8) feet above the roadways within the triangular area formed by the intersecting street property lines and a line connecting them at points fifteen (15) feet from the intersection of the street property lines, or extension thereof shall be placed, planted or permitted to remain on any corner lots.

Section 13. Lot Maintenance.

The owner or occupants of all lots shall at all times keep all weeds and grass cut in a sanitary, healthy and attractive manner. In no event lot or lots are not to be used for storage of materials and

equipment except for normal residential requirements including improvements. The drying of clothes in full public view is prohibited. The owners or occupants of any lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the lot is visible to full public view shall construct and maintain a drying yard or other suitable enclosure to screen the following from public view: the drying of clothes, yard equipment or storage piles, which are incident to the normal residential requirements of a typical family. No lot should be used or maintained as a dumping ground for trash or other waste material. Waste materials shall not be kept except in sanitary containers. Sanitary containers should be constructed of metal, plastic or masonry materials with sanitary covers. Equipment for the storage of waste materials should be kept in clean and sanitary conditions. All playground equipment must be placed at the rear of the property and must be placed behind a fence if the lot is fenced. No outside clothesline shall be permitted that is visible from any street.

New building materials used may be placed upon such lot at the time construction is commenced and may be maintained thereon for a reasonable time so long as the construction progresses without undue delay. After the completion of the improvements the material shall be removed or stored in a suitable enclosure. No open burning of anything is permitted by the Owner or occupant of any lot at any time. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any one of them, such default continuing after ten (10) days written notice thereof, Declarant or its assigns may, without Liability to the Owner or occupant for trespass or otherwise, enter upon said Lot or cause to be removed such garbage, trash and rubbish or do anything necessary to secure compliance with these restrictions so as to place said lot in neat attractive and sanitary conditions and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the property to pay for such work immediately upon receipt of a statement therefore. In the event of failure to pay such statement, the amount thereof will be added to the annual charge provided for herein.

Section 14. Prohibition of Offensive Activities.

Other than with regard to the normal sales activities required to sell homes in the subdivision and the lighting effects utilized to display model homes, no activity or business, whether for profit or not, shall be carried on any lot which is not related to single family residential purpose. No obnoxious or offensive activity of any sort shall be permitted nor shall be done on any lot which may be or become an annoyance or nuisance to the neighborhood.

Section 15. Animal Husbandry.

No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot except dogs, cats or other common household pets. A total of three adult animals may be kept provided that they are not bred or maintained for commercial purpose. Dogs maintained outside must be restrained by a fenced rear yard. No such animal shall be allowed to become a nuisance or health hazard. Should such pets become a nuisance in the opinion of the Declarants, they must be removed from the premises and the subdivision. No pets are to run at large.

Section 16. Mineral Operations.

No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any lot, nor shall any wells, tanks, tunnels, mineral excavation or other structures designed for the use in boring for oil or natural gas be erected maintained or permitted upon any lot.

Article III

The Falls Deed Restrictions Rev. 2006

Page 4 of 6

VOL 545 PAGE 428

Section 17. Signs, Advertisements, Billboards.

Signs owned by Declarant or builders, with the consent of the Declarant, may be erected advertising their model homes during the period of original construction and home sales. No signs, advertisement or billboard structure of any kind other than one normal "for sale" sign not to exceed five square feet in total size may be erected or maintained on any lot in said subdivision. Owners committee has the right to remove any sign, advertisement, billboard or structure that does not comply with the above. The committee will not be subject to liability of trespass or other sort in the connection with said removal.

Section 18. Maintenance of Antennae.

No electronic antenna or device of any type other than an antenna for receiving normal TV signals shall be erected, constructed, placed or permitted to remain on any lot, house or building. TV antennae may be attached to the house; provided, however, such antenna must be located to the rear of the roof ridge line, gable or center line of the principal dwelling, unless this is not possible due solely to the design of the roof. Freestanding antennas must be attached to and located behind the rear wall of the main residential structure. Guy wires may be installed for purpose of securing antenna provided however that such wires do not encroach upon any easement or adjoining lot that are located behind the rear wall of the main residential structure and are screened from view by installation of approved fencing as described in Section 7. No antenna either freestanding or attached shall be permitted to extend above the roof of the main residential structure on the lot or shall be erected on a wooden pole. The Architectural Control Committee must approve the location of any satellite dish, antenna, receiver or other similar antenna.

Section 19. Underground Telephone Service.

A buried telephone cable system shall be installed in The Falls Sections 1, 2 and 3. The owner of each lot shall at his/her own cost install flexible or rigid conduit with pull wire and a minimum of 3 outlets boxes at locations where they desire, all in accordance with specifications of the telephone company so that the telephone company may install its wiring and equipment in each home in the expeditious and least cost manner. In the event an owner fails to comply with the requirements of the preceding sentence, the telephone company will install its standard exposed wiring in such owner's home. The owner will be required to pay the telephone company standard installation charges therefore.

Section 20. Cable TV Service

Declarant reserves the rights to hereafter enter into a franchise or similar type agreement with one or more cable TV companies. Declarant shall have the right and power in such agreement or agreements to grant to such Cable TV Company or companies the right to install and maintain communication cable and related equipment within the utility easement or right of way reserved herein the referenced plat. Declarant does hereby reserve unto itself, its successors and assigns the sole and exclusive right to obtain and retain all income, revenue and other things of value paid or to be paid by such cable companies to declarant, pursuant to any such agreements between declarant and such cable companies. However, the rights herein reserved to Declarant with regard to any cable company shall terminate and automatically be transferred to The Falls Owners Association, at such time as the class B membership shall cease as provided in article V hereafter.

Section 21. Owners Easement of Enjoyment.

Every Owner shall have the right and easement of enjoyment in and to the Common Areas, if any, which shall be appurtenant to and shall pass with title to every lot, subject to the following provisions:

- A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area, if any.
- B. The right of the Association to suspend the voting rights and right to use the Common Areas, if any, by an Owner for any period during which any assessment against their lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.
- C. The right of the Association to dedicate or transfer all or any part of the Common Area, if any, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by 2/3 of each class of members agreeing to such dedication or transfer has been recorded.
- D. Any Owner may delegate, in accordance with the by-laws, his right of enjoyment to the Common Areas, if any, and facilities to the members of his/her family, his tenants or contract purchasers who reside on the property.

Article IV Architectural Control Committee

Section 1. Approval of Building Plans.

A copy of the construction plans, specifications and plot plan, together with such information as may be deemed pertinent shall be submitted to the Architectural Control Committee (A.C.C.) or its designated representative prior to commencing construction.

No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plot plan showing the location of the structure have been approved by the A.C.C. in writing. The plans must be in compliance with minimum construction standards as determined by the A.C.C. The A.C.C. may require the submission of other documents at its discretion. In the event the A.C.C. fails to approve or disapprove such plans and specifications within 30 days after the receipt of the required documents, such approval shall be deemed to have been given. Placing or altering of any structure on any lot in a manner prohibited under the terms of this declaration is strictly prohibited. The A.C.C. shall have full and complete authority to approve construction of any improvement on any lot and its judgment shall be final.

The approval or lack of disapproval by the A.C.C. of any plans and specifications or of the location plot plan, shall in no event create any liability whatever in the Declarant, the members of the Committee, the duly authorized representative of the Committee, or in any other party for any warranty or representation by such committee including, without limitation, any warranty or representation relating to fitness, design, adequacy or location of the proposed construction or compliance with applicable statutes, codes and regulations, in any building or structure erected and located in accordance with such plans and specifications and location plot plan.

Anything contained in this section or elsewhere in this declaration to the contrary notwithstanding, the A.C.C. and its duly authorized representative, is hereby authorized and empowered at its sole and absolute discretion, to make and permit reasonable modifications of and deviations from any of the requirements of the declaration relating to the type, kind, quantity or quality of the building materials to be used in the construction of any building or improvement on any subdivision lot and of the size and location of any such building or improvement when, in the sole and final judgment and opinion of the committee or its duly authorized representative, such modifications and deviations in such improvements will be in harmony with existing structures and will not materially detract from the aesthetic appearance of the subdivision and its improvements as a whole.

The Architectural Control Committee may require the submission of such documents and items (including such examples but without limitation, written request for description of the variances requested, plans, specifications, plot plans and samples of materials), as it shall deem appropriate, in connection with its consideration of a request for a variance. If the A.C.C. shall approve such request for a variance and grant its permission for such variance, it must be by written instrument, signed by a majority of the members of the A.C.C. (or by the committee's duly authorized representative), addressed to the owner of the lot(s) relative to which such variance has been requested, describing the applicable restrictive covenant(s) and the particular variance requested, expressing the decision of the A.C.C. to permit the variance, describing when applicable and the conditions on which the variance has been approved. Any request for a variance shall be deemed to have been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the A.C.C. or (b) failure by

the A.C.C to respond to the request for variance. In the event the A.C.C or any successor to the authority thereof shall not then be functioning and/or the term Architectural Control Committee shall have expired and the board of directors of the association shall not have succeeded to the authority thereof as herein provided, no variances from the covenants of this declaration shall be permitted, it being the intention of the Declarant that no variances be available except at the discretion of the A.C.C, or if it shall have succeeded to the authority of the A.C.C in the manner provided herein. The A.C.C shall have no authority to approve any variance except as expressly provided in this declaration.

Section 2. Committee Membership

The A.C.C members shall be composed of directors of the association and shall be three in number. By majority vote, they may designate a representative to act for them. The address for the A.C.C is: 1750 North Falls Dr, New Ulm TX 78950. The current members of the A.C.C. as of the date hereof, are: Dave Swalm, Beth Swalm, and Claude Manning.

Section 3. Replacement

In the event of death or resignation of any member or members of said committee, the remaining number of members shall appoint by recorded instrument a successor member or members, and until such successor member or members shall have been appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted or to designate a representative with like authority.

Section 4. Minimum Construction Standards.

The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards provided, however that such outline will serve as a minimum guideline and the A.C.C shall not be bound thereby.

Section 5. Term

The duties and powers of the A.C.C and of the designated representative shall cease on or after 20 years from the date of this instrument. Thereafter, the approval described in this covenant shall not be required, and all power vested in said Committee by this covenant shall cease and terminate. Provided that any time after January 1, 2025, by 2/3 vote of members present and voting The Falls Owners Association or generally elected Committee may assume the duties and powers of the Architectural Control Committee.

STATE OF TEXAS COUNTY OF COLORADO
I hereby certify that this instrument was FILED on the
date and time stamped hereon by me; and was duly
RECORDED to the Volume and Page of the OFFICIAL
RECORDS of Colorado County, Texas and stamped
hereon by me, on

DEC 28 2006



Darlene Hayek
DARLENE HAYEK
COUNTY CLERK, COLORADO COUNTY, TEXAS