

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
CANYON CREEK PRESERVE PHASE 2

STATE OF TEXAS *
COUNTY OF MEDINA * KNOW ALL MEN BY THESE PRESENTS:

This Declaration is made on the date hereinafter set forth by SOUTHERLAND CANYON CREEK, LLC, a Delaware limited liability company, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer is the owner of a portion of that certain tract of land known as CANYON CREEK PRESERVE PHASE 2, being a subdivision containing 460.023 acres of land situated in Medina County, Texas with the Plat of CANYON CREEK PRESERVE PHASE 2, being recorded under Document No. 2017004666 in the records of Deeds and Plats of Medina County, Texas, in the office of the County Clerk of Medina County, Texas on the 23rd day of June, 2017, after having been approved as provided by law;

WHEREAS, it is the desire of Developer to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against CANYON CREEK in order to establish a uniform plan for its development, improvement and sale, and to insure the preservation of such uniform plan for the benefit of both the present and future owners of those Tracts in CANYON CREEK PRESERVE PHASE 2.

WHEREAS, Developer reserves and retains unto itself, the right, as it, in its sole discretion, shall determine, to (i) add to or delete areas from the Subdivision, (ii) add or delete areas from these restrictions and (iii) hereafter place and impose such restrictions, easements, covenants, conditions, stipulations and reservations on any and all remaining unrestricted Properties, or portions thereof, in the Subdivision, in order to establish any plan chosen by Developer for the development, improvement and sale thereof.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Developer, hereby adopts, establishes and imposes upon CANYON CREEK PRESERVE PHASE 2, and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said property, which Restrictions shall run with said property and title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof. Developer also declares that CANYON CREEK PRESERVE PHASE 2 shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

ARTICLE I
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified:

1.1 Architectural Control Committee. "Architectural Control Committee" shall mean the committee created pursuant to this Declaration to review and approve plans for the construction of Improvements upon the lots in the Subdivision.

1.2 Assessment. "Assessment" or "Assessments" shall mean such assessments as may be levied by the Association under the terms and provisions of this Declaration.

- 1.3 Association. "Association" or "Master Association" shall mean and refer to Canyon Creek Preserve Property Owners Association, a Texas non-profit corporation, its successors and assigns. Notwithstanding anything herein to the contrary, Canyon Creek Preserve Property Owners Association shall consist of members from all units within Canyon Creek Preserve, unless otherwise determined by Declarant.
- 1.4 Board. "Board" shall mean the Board of Directors of the Association.
- 1.5 Bylaws. "Bylaws" shall mean the Bylaws of the Association to be adopted by the Board, and as from time to time amended.
- 1.6 Canyon Creek Preserve Phase 2 Restrictions. "Canyon Creek Preserve Phase 2 Restrictions" shall mean collectively (i) this Declaration, together with any and all Supplemental Declaration, as the same may be amended from time to time, (ii) Canyon Creek Preserve Phase 2 Rules, (iii) the Design Guidelines, and (iv) the Certificate of Formation and Bylaws from time to time in effect, as the same may be amended from time to time.
- 1.7 Canyon Creek Preserve Phase 2 Rules. "Canyon Creek Preserve Phase 2 Rules" shall mean the rules and regulations adopted by the Board as the same may be amended from time to time.
- 1.8 Certificate of Formation. "Certificate of Formation" shall mean the Certificate of Formation of Canyon Creek Preserve Property Owners Association, which shall be filed in the office of the Secretary of State of Texas, and as from time to time amended.
- 1.9 Common Area. "Common Area" shall mean that portion of the Subdivision owned by the Association for the common use and enjoyment of the Members of the Association including but not limited to gates, mailboxes, landscaping, sprinkler systems, pavement, streets (to the extent not owned by appropriate governmental authorities), gates, walkways, pipes, wires, conduits and other public utility lines situated thereon (to the extent not owned by appropriate governmental authorities or by local utility companies). The Common Areas to be owned by Association shall include (i) those areas of land shown on any recorded plat or its equivalent of the Property, as defined below, or any portion thereof filed or approved by Declarant and identified thereon as "Greenbelt" or "Amenity Area" or any other area designated on the plat as being for the common use and benefit of the Members; (ii) the unpaved and landscaped areas of the right of way for any drive within the Subdivision; and (iii) those areas of land and improvements thereon deeded to the Association by Declarant.
- 1.10 Declarant or Developer. "Declarant" or "Developer" shall mean Southerland Canyon Creek, LLC, a Delaware limited liability company, its duly authorized representative, or their respective successors or assigns; provided that any assignment of the rights of Southerland Canyon Creek, LLC, a Delaware limited liability company, as Declarant must be expressly set forth in writing and the mere conveyance of a portion of the Subdivision without written assignment of the rights of Declarant shall not be sufficient to constitute an assignment of the rights of Declarant hereunder.
- 1.11 Design Guidelines. "Design Guidelines" shall mean the criteria and guidelines established by the Architectural Control Committee for the construction of landscaping improvements and commercial development improvements within the Subdivision.
- 1.12 Improvement. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind located on any lot in the Subdivision, including but not limited to, buildings, outbuildings, storage sheds, patios, tennis courts, basketball goals, swimming pools, and swimming pool equipment, garages, storage buildings, fences, gates, trash enclosures, screening walls, retaining walls, stairs, decks, landscaping, poles, signs, exterior air conditioning, water softener fixtures or equipment and poles, pumps, wells, tanks, reservoirs, pipes, lines, meters, antennas, towers and other

facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.13 Lot or Tract "Lot", "Lots", "Tract" or "Tracts" shall mean any parcel or parcels of land within the Subdivision shown as a subdivided lot on a Plat of the Subdivision or conveyed by metes and bounds but subjected to these Restrictions, together with all improvements located thereon.

1.14 Master Declaration. "Master Declaration" or "Declaration" shall mean this Instrument, and as it may be amended from time to time,

1.15 Member. "Member" or "Members" shall mean any person, persons, entity or entities holding membership rights in the Association.

1.16 Mortgage. "Mortgage" shall mean any mortgage or deed of trust lien covering all or any portion of the Subdivision given to secure the payment of a debt.

1.17 Mortgagee. "Mortgagee" or "Mortgagees" shall mean the holder or holders of any Mortgage or Mortgages.

1.18 Owner. "Owner" or "Owners" shall mean and refer to a person or persons, entity or entities holding a fee simple interest in all or any portion of the Subdivision, but shall not include a Mortgagee.

1.19 Permanent Residence. "Permanent Residence" shall mean using a residential area, including but not limited to areas in a barn, for more than 100 days in any rolling twelve month period.

1.20 Person. "Person" or "Persons" shall mean any individual, individuals, entity or entities having the legal right to hold title to real property.

1.21 Plans and Specifications. "Plans and Specifications" shall mean any and all documents designed to guide or control the construction or creation of any improvement, including but not limited to, those indicating location, size, shape, configuration, materials, site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, signage, lighting, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to such improvement.

1.22 Plat. "Plat" shall mean a final subdivision plat of any portion of the Property, as defined below.

1.23 Property. "Property" shall mean that real property which is subject to the terms of this Declaration initially described approximately 460,023 acres of land, known as CANYON CREEK PRESERVE PHASE 2, Medina County, Texas, as shown on the map or plat recorded under Document No. 2017004666, of the Plat Records of Medina County, Texas, and any additional real property (including but not limited to additional lots) which may be hereafter incorporated or annexed under the terms of this Declaration.

1.24 Subassociation. "Subassociation" shall mean any Texas non-profit corporation or unincorporated association, organized and established by Declarant or with Declarant's approval, or, if after the Control Transfer Date, by the Association.

1.25 Supplemental Declaration. "Supplemental Declaration" shall mean and refer to any declaration of covenants, conditions and restriction which may be recorded hereafter in order (i) to incorporate additional property into the Subdivision, (ii) to subject any area of the Property to further covenants, conditions or restrictions, or (iii) to withdraw land from the Property.

ARTICLE II
ADDITIONS TO THE PROPERTY

2.1 Phased Subdivision.

(A) Incorporation, Incorporation and Withdrawal. The Declarant, its successors and assigns, shall have the sole right, without requiring the consent or approval of any third party, including the Owners of any Lots or lienholders on those lots, at any time prior to June 1, 2030, to (i) annex or incorporate within the scheme of this Declaration additional tracts or phases of the Subdivision (a) following the acquisition of such property, or (b) barring acquisition of such property, with the consent of the record owner of such other property, (ii) withdraw any property owned by Declarant from the Subdivision or (iii) remove property owned by Declarant from the terms of these restrictions.

(B) Filing Supplemental Declarations. To evidence the incorporation or annexation of additional property (including but not limited to additional lots) or withdrawal of property from the subdivision or these restrictions, Declarant shall record an Affidavit stating that such property has been incorporated into, annexed into or withdrawn from the subdivision or these restrictions.

2.2 Merger of Consolidation. Upon a merger or consolidation of the Association with another association, the Association's properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the property, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration pertaining to the Property except as hereinafter provided.

ARTICLE III
GENERAL RESTRICTIONS

All of the Property except utility lots, streets and common areas shall be owned, held, encumbered, leased, used, occupied and enjoyed subject to the following limitations and restrictions:

3.1 Single Family Residential Construction. All Lots shall be used solely for single family residential purposes. No building or structure shall be erected, altered, placed or permitted to remain on any tract without the approval in writing by the Architectural Control Committee. No Lot shall have more than one dwelling which dwelling must have at least two thousand (2000) square feet of living area for one story dwellings and two thousand two hundred (2,200) square feet of living area for two story dwellings, with at least one thousand four hundred (1,400) square feet on the ground floor.

The guest/servants house and any detached garage must be of the same general construction and exterior as the dwelling, including exterior materials, roofing materials, and color and must be located according to the Committee approved building site plan. One guest/servants house shall be allowed provided said guest/servants house (i) contains no less than five hundred (500) square feet nor more than one-half of the square footage of the main dwelling, (ii) is built after or while the dwelling is being built and (iii) has prior approval of the Architectural Control Committee. All square footage calculations shall exclude porches and garages. All dwellings must have no less than two distinct vertical finish surfaces at the front elevation of the dwelling. The separation (in depth) of these surfaces shall be a minimum of 24 inches. All residences must have a garage (even if such residences also have a port-a-cache and/or carport). Detached garages may not be constructed on the Property prior to the dwelling being built. Any

building, structure or improvements commenced on any tract shall be completed as to the exterior finish and appearance within six months from the commencement date.

The term "dwelling", "main dwelling" and "guest/servants house" does not include either industrialized housing, double wide, triple wide or manufactured homes, single wide mobile homes, or prefab houses regardless of whether the same are placed upon permanent foundation, and said homes are not permitted within the Subdivision. As used herein, "Manufactured home" includes but is not limited to, any prefabricated or pre-built dwelling which consists of one (1) or more transportable sections or components and shall also be deemed to include manufactured housing, manufactured home, HUD-code manufactured home and mobile home as defined by the Texas Manufactured Housing Standards Act, Title 83, Article 5221f, Vernon's Texas Civil Statutes.

3.2 Driveways, Garages and Barns. The first 150 feet of all driveways beginning at the road shall be constructed of asphalt, two course chip and seal asphalt paving, exposed aggregated finished concrete, concrete, or brick paver materials unless otherwise approved in writing by the Architectural Control Committee. All garages, including detached garages, will be of the same general construction and exterior as the main dwelling and located on the tract according to the Committee approved building site plan and shall be suitable for not less than two automobiles. Except on corner lots, as set forth in this paragraph, no two-car garage, whether attached or detached, shall be situated or positioned on any lot in such a manner so as to have any portion of its car garage door opening facing the street, unless a variance shall be granted as herein provided. If a garage has more than two doors, one garage door may face the front property line. On corner lots, the garage door opening may face a side street, but shall not face the front lot line or any street adjacent thereto. Port-a-caches and carports may be allowed with the Committee's approval; however, both must be of the same or similar construction and material as the main dwelling. The Architectural Control Committee shall have the absolute authority over the entrance location and site of all garages and carports. All driveways, garages, carports and port-a-caches must be shown on the plans submitted to the Architectural Control Committee and approved prior to any action being taken.

No more than two permanent metal, wood, rock, and/or hardplank barn, storage building or workshop (hereinafter in this paragraph only "Barn") shall be allowed on any Tract and no Barn footprint shall be larger than two thousand five hundred (2,500) square feet. Each Barn shall have rock wainscoat beginning at the bottom of the building and extending 3 feet upward on all sides. Such Barn may be constructed on the Property prior to the main dwelling but must be located behind the front line of the main dwelling. Guest quarters located inside of a barn which is constructed on the Property shall be allowed so long as the guest quarters are not used as a Permanent Residence (defined above), are not rented for income and comprise no more than one-third of the interior space of such barn. Guest quarters located inside of a barn may be used as a residence for a period not to exceed one year once construction of the main dwelling has begun. One portable storage building may be placed on the Property provided it is (i) approved by the Architectural Control Committee, (ii) is behind the main dwelling, and, (iii) out of view of any road or adjoining properties.

3.3 Masonry. The exterior walls of any residence constructed on any lot shall be constructed of stucco, rock, timber frame, and/or fibrous cement. Timber frame and fibrous cement must have a minimum of 25% rock on the exterior walls. The exterior of all chimneys shall be of a type and color matching the exterior walls of the dwelling

3.4 Height. No building or structure erected, altered, or placed on, within or in the properties shall exceed the lesser of (i) thirty-five (35) feet in height (measured from the highest point of ground under the structure to the top most part of the roof) or (ii) 2-1/2 stories in height, without the written consent of the Architectural Control Committee.

3.5 Setback Requirements.

All improvements, except fences on all other lots shall be set back at least seventy-five (75) feet from the front property line, unless larger setbacks are shown on the plat, in which case the larger setback shall be followed, forty (40) feet from the side lot lines and one hundred (100) feet from the rear lot line.

All improvements, except fences, shall be set back at least one hundred (100) feet from any lot line adjoining a street regardless of which lot line the street joins.

Notwithstanding anything within this paragraph, no Lot Owner shall fence in any meter, utility pole or transformer or place a fence within ten (10) feet from any meter, utility pole or transformer.

3.6 Construction of Improvements. No improvements shall hereafter be constructed upon any of the Property without the prior written approval of the Plans and Specifications for the Improvement(s) by the Architectural Control Committee. Anything herein to the contrary notwithstanding, in the case of single family residences constructed on any Lot, the Architectural Control Committee, in its sole discretion, may limit its review of specific floor plans, and elevations, and upon the Architectural Control Committee's approval of such specific floor plans and elevations, residences may be constructed with the approved floor plans and elevations without the requirement of further review or approval by the Architectural Control Committee.

3.7 Roofing Materials. The surface of all principal and secondary structures including but not limited to garages, carports and guest houses shall be of slate, stone, concrete tile, clay tile, or other tile of a ceramic nature, composition shingles with a thirty (30) year or more warranty; or they may be metal, left natural or painted a color approved by the Architectural Control Committee, using standing or battened seams. The Architectural Control Committee shall have the authority and sole discretion to approve other roof treatments and materials if the form utilized will be harmonious with the surrounding homes and subdivision as a whole.

3.8 Color. All exterior color schemes on any improvement must be approved by the Architectural Control Committee prior to use. Acceptable color schemes include natural or neutral earth tone colors that blend with the natural surroundings. No bright, florescent or contrasting colors shall be allowed.

3.9 Fences. Walls and fences, if any, must be constructed of the following materials:

- a. three or four board vinyl
- b. masonry or masonry veneer. Masonry privacy fences may only be constructed behind the front line of the main dwelling.
- c. wrought iron
- d. cedar posts with barbed wire, straight wire, rolled no climb wire and/or heavy gauge cattle/hog panel.
- e. metal pipe with top rail.
- f. metal pipe without top rail so long as the pipe fencing has a top rail along any portion facing a street. The sides and rear of the fence not facing the street shall have a metal pipe no less than every 100 feet with t-posts in between unless otherwise approved by the Architectural Control Committee.

No wooden privacy fences are allowed. Barb wire, straight wire, rolled wire and heavy gauge cattle/hog panel wire are allowed so long as they are in combination with the items specified a through f and meet all other requirement set forth in this section. Chain link fences will not be allowed, but may be used for dog runs so long as they are out of sight of any street and are approved by the Architectural Control Committee prior to construction.

Any such fencing on any lot shall not exceed eight feet in height and must be a minimum of four feet (48 inches) in height.

The Subdivision, at the time of imposing these Restrictions, is under the 1-D-1 agricultural exemption for ad valorem tax valuation ("Agricultural Exemption"). It is the intention of the Developer for itself and, subsequently, for the Association, to maintain this valuation by causing all or part of such lots to be leased for agriculture purposes as allowed by Statute, saving building sites thereon, for the benefit of the Lot Owners for as long as it is practical. Notwithstanding, however, any Lot Owner may determine that they shall not be a part of this program of allowing for the Agricultural Exemption, by building a fence around his Tract, in accordance with this Section and by terminating the grazing lease by and between Developer and the Canyon Creek Preserve Property Owners Association in accordance with the terms of such lease. Unless the Lot Owner opts out, the Architectural Control Committee hereby specifically reserves an easement of free and uninterrupted ingress, egress and regress over, through, and across all Lots for the purpose of allowing the free range of animals in order to qualify the Subdivision, or any part thereof, for the Agricultural Exemption.

Any Lot Owner participating in the Agricultural Exemption Program, whose lot contains an existing perimeter fence, must maintain such fence. Any Lot Owner not participating in the Agricultural Exemption Program whose Lot contains an existing perimeter fence must maintain such fence until that Lot owner has erected such other fencing so as to turn livestock from his Tract. Owners of Lots along Park Road 37 and/or Hwy 16 may install gates along such road with the approval of the appropriate government entity, however, such gates must remain closed unless such gate is in use for immediate ingress and egress.

3.10 Construction in Place. All improvements including but not limited to dwellings and fences, constructed hereafter on the Property shall be built in place on the applicable Lot and the use of prefabricated materials shall be allowed only with the prior written approval of the Architectural Control Committee.

3.11 Subdividing, Combining Two (2) or More Lots. No Lot shall be further divided or subdivided by the Owner. Notwithstanding, if Declarant is the Owner thereof, Declarant may further divide and subdivide any Lot or convey an easement or other interest less than the whole, all without the approval of the Architectural Control Committee. Lots may be combined into one Lot for building purposes and the interior common boundary line shall be extinguished by filing a recordable document of record, joined by the Declarant, or Architectural Control Committee, declaring the same to be extinguished. Thereafter, all set back lines shall refer to the exterior property lines. Portions of lots may be combined with adjoining lots for building purposes so long as all resulting lots are larger than the original lots. Combined Lots shall nevertheless be considered as separate Lots for assessment purposes, unless otherwise determined by Canyon Creek Preserve Property Owners Association. Public utility and drainage easements are exempt from this provision and each lot owner is required to obtain any needed releases from the Public Utility companies.

3.12 Repair of Buildings. All Improvements upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner thereof.

3.13 Alteration or Removal of Improvements. Any construction, other than normal maintenance, which in any way alters the exterior appearance of any Improvement, or the removal of any Improvement, shall be performed only with the prior written approval of the Architectural Control Committee.

3.14 Drainage. Natural established drainage patterns of streets, tracts or roadway ditches will not be impaired by any person or persons. Driveway culverts must be installed and will be of sufficient size to afford proper drainage of ditches without backing water up into the ditch or diverting flow. Drainage culvert installation requires a permit from Medina County and is subject to the inspection and approval of the Architectural Control Committee and to County requirements.

3.15 Temporary Structures. No structure of a temporary character, whether trailer, motor home, recreational vehicle, tent, basement, shack, garage or other outbuilding shall be maintained or used on any Tract at any time as a residence, either temporarily or permanently, except as provided below. No Tract shall be used as a camping ground.

Prior to the construction of a residence on a Tract, an Owner may use a recreation vehicle camper or motor home ("RV") for camping purposes no more than seven (7) days out of any thirty (30) day period and no more than fifty (50) days per year and such recreational vehicle camper or motor home shall be self-contained or connected to a septic system. No dumping of self-contained matter on any portion of the Lot or Subdivision. TEMPORARY CAMPING OR USING ANY TYPE OF RECREATIONAL VEHICLE WILL NO LONGER BE PERMITTED ONCE TWENTY OR MORE DWELLINGS HAVE BEEN BUILT ON THE LOTS IN CANYON CREEK PRESERVE PHASE 2.

Temporary structures, including a construction office, portable restroom facilities, or construction storage facilities may be located on a Tract while the main residence for a Tract is actively under construction, provided that such are removed upon substantial completion of construction and are not located on a Tract for longer than the time allowed for construction of a main residence as set forth herein.

The Developer reserves the exclusive right to install and make use of a temporary office or temporary storage facilities within the Subdivision while Developer is selling Tracts or building homes in the Subdivision.

3.16 Mining and Drilling. Except for water wells used for domestic purposes, No portion of the Property shall be used for mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth. Water wells to be used for domestic and irrigation purposes associated with the Lot may be drilled unless such well is in a restricted area, which area is more fully set forth in the document recorded under Clerk's Document No. 2015009174 of the Official Public Records of Medina County, Texas.

3.17 Antennas. No exterior radio, television or computer antenna or aerial or satellite dish receiver, or other devices, designed to receive telecommunication signals, including, but not limited to, radio, television, or microwave signals which are intended for cable television, network television receptions, or entertainment purposes shall be erected or maintained, except by Declarant, without the prior written approval of the Architectural Control Committee, which shall not be unreasonably withheld. No antenna or other receiving device shall extend ten feet above the highest point of the roof. Nothing herein shall be construed to conflict with the rules and regulations set forth by the Federal Communications Commission.

3.18 Signs. Except as specifically set forth in this section, no signs, advertising, billboards or advertising structure of any kind may be erected or maintained on any Tract without the consent in writing of the Architectural Control Committee, except one (1) professionally made sign not more than twenty-four inches (24") by thirty-six inches (36") advertising Owner's Tract for sale or rent, and one (1) professionally made sign, not more than twelve inches (12") by twenty-four inches (24") identifying the Tract owner's name or names. The term "professionally made sign" does not include store bought pre-made "for sale" or "for rent" signs. Builders, during the construction of a home, may place one sign not more than twenty-four inches (24") by thirty inches (30") in size on the Lot for purposes of identification of the builder. Builders of a model home may place a pre-approved sign on the tract that does not exceed four (4) feet by four (4) feet advertising the model home. No sign shall be nailed to a tree and all signs must be properly maintained. Declarant or any member of such Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Tract in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from, any liability for trespass or other tort in connection therewith, or arising from such removal.

In accordance with the Texas Property Code, One or more signs advertising a political candidate or ballot item for an election may be displayed as follows:

- a. On or after the 90th day before the date of the election to which the sign relates or
 - b. Before the 10th day after the election date
- Such signs must comply with the following:
- a. The signs must be ground mounted;
 - b. No more than one sign for each candidate or ballot item is allowed
 - c. The sign shall not
 - (i) Contain roofing material, siding, paving materials, flora, one or more balloons or lights or any other similar building, landscaping or nonstandard decorative component;
 - (ii) Is attached in any way to plant material, a traffic control device, a light, a trailer, a vehicle or any other existing structure or object;
 - (iii) Includes the painting of architectural surfaces
 - (iv) Threatens the public health or safety;
 - (v) Is larger than four feet by six feet
 - (vi) Violates a law;
 - (vii) Contains language, graphics or any display that would be offensive to the ordinary person; or
 - (viii) Is accompanied by music or other sounds or by streamers or is otherwise distracting to motorists.

3.19 Rubbish and Debris. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. Refuse, garbage and trash shall be kept at all times in covered containers and such containers shall be kept within enclosed structures or appropriately screened from view. In the event the Owner shall fail or refuse to keep, or cause to be kept such Owner's property or any improvements thereon free from rubbish or debris of any kind, and such failure or refusal shall continue for fifteen (15) days after delivery of written notice thereof, then Canyon Creek Preserve Property Owner's Association may enter upon such property and remove or correct the same at the expense of the property owner and any such entry shall not be deemed a trespass.

3.20 Noise/Lighting. No exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security or public safety purposes) shall be located, used or placed on any of the Property such that it becomes or will become clearly audible at the property line of adjoining property owners. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Property so as to be offensive or detrimental to any other portion of the Property or to its occupants.

All exterior lights shall consist of fixtures that prevent light from escaping through the top and sides of the fixture. Colored lights are prohibited. Only soft, down lighting shall be allowed.

3.21 Hazardous Activities. No activities shall be conducted on the Property and no improvements constructed on the Property which are or might be unsafe or hazardous to any person or property.

3.22 Unsightly Articles; Vehicles. No article deemed to be unsightly by the Architectural Control Committee shall be permitted to remain on any Lot so as to be visible from public or private thoroughfares. Without limiting the generality of the foregoing, trailers, graders, trucks other than pickups, boats, tractors, recreational vehicles, campers, wagons, busses, motorcycles, motor scooters, and garden maintenance equipment shall be kept at all times, except when in actual use, in an approved structures. No repair or maintenance work shall be done on any of the foregoing, or on any automobile (other than minor emergency repairs), except in

enclosed garages or such other structures. Any and all such enclosed structures shall be located and situated behind the rear wall of the dwelling. No automobiles or other vehicles may be parked in excess of seventy-two (72) hours on any Road in or abutting the Property.

3.23 Mobile Homes, Travel Trailers and Recreational Vehicles. No mobile homes shall be parked or placed on any Lot at any time, and, except as set forth in Section 3.15 no travel trailers or recreational vehicles shall be parked on or near any Lot so as to be visible from adjoining property or public or private thoroughfares for more than seventy-two (72) hours. An RV, motor home or camper may be used as a temporary residence during construction, provided an approved septic system has been installed and the RV, camper or motor home is placed behind the construction site and when possible out of sight of any road. The Developer reserves the right to maintain such structures/vehicles within the subdivision as, in its sole discretion, may determine to be necessary or convenient while selling lots.

3.24 Animals-Household Pets. Except as specifically set forth below, no animals, including but not limited to pigs, pot-bellied pigs, hogs, swine, pigeons, poultry, fowl, cattle, sheep, goats, or other type of animals not considered to be domestic household pets within the ordinary meaning and interpretation of such word may be kept, maintained or cared for on the Property. Horses, cows, goats, sheep, miniature donkeys and exotic antelope specifically including blackbuck, fallow and axis shall be allowed so long as the number of such animals does not exceed one for every two (2) full acres owned by a lot owner. Up to ten laying hens shall be allowed per Lot. Animals being raised for 4-H or school sponsored programs will be permitted during the term of such program. No overgrazing is permitted on any portion of a Lot. No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance and no domestic pet shall be allowed on any portion of the Property other than on the Lot of its Owner unless confined to a leash. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large and all animals shall be kept within the enclosed areas which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. Such enclosed area, whether fences or dog runs, shall be constructed in accordance with plans approved by the Architectural Control Committee, shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof.

3.25 Hunting. No discharge of handguns, rifles, shotguns or other firearms, or other similar weapons are allowed in the subdivision. Hunting with bows and crossbows are allowed so long as such hunting complies with the county rules and regulations.

3.26 Construction Activities. Notwithstanding any provision herein to the contrary, this Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by an Owner (Including Declarant) upon any Lot within the Property. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of Architectural Control Committee approved signs or similar activities, provided that such construction is pursued to completion with reasonable diligence and conforms to usual construction practices in the area. In the event of any dispute regarding such matters, a temporary waiver of the applicable provision may be granted by the Architectural Control Committee, provided that such waiver shall be only for the reasonable period of such construction.

3.27 Compliance with Provisions of Canyon Creek Preserve Phase 2 Restrictions. Each Owner shall comply strictly with the provisions of the Canyon Creek Preserve Phase 2 Restrictions as the same may be amended from time to time. Failure to comply with any of the Canyon Creek Preserve Phase 2 Restrictions shall constitute a violation of this Declaration, and shall give rise to a cause of action to recover sums due for damages, injunctive relief, fines or other rights granted to the Board or an aggrieved Owner in these Declarations, at common law or in equity. All fines shall become part of

the Lot Owner's Regular Assessment as defined herein and may be enforced as an Assessment in accordance with Article VII.

3.28 Rentals. Nothing in the Declaration shall prevent the rental of any entire Lot and the Improvements thereon, by the Owner thereof for residential purposes for a period of thirty days or longer. No rental for less than thirty days is allowed and no rental for less than the entire Lot is allowed.

3.29 Model Homes. Notwithstanding anything herein contained, Builders shall be allowed to construct and staff model homes as long as such model homes conform to these restrictions.

3.30 Prohibition of Offensive Activity. No activity, whether for profit or not, shall be conducted on any Tract which is not related to single family residential purposes, unless said activity meets the following criteria: (a) no additional exterior sign of activity is present, (b) no additional traffic, that would not be there normally, is created, and (c) nothing dangerous is present that should not be there. Home offices are specifically allowed so long as they meet the requirements of (a), (b) and (c) above. Further, this restriction is waived in regard to the customary sales activities required to sell homes in the Subdivision. No noxious or offensive activity shall be carried on upon any Tract, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

3.31 Propane Tanks, Outside Laundry Areas, etc. All Propane tanks shall be buried or screened from view by a masonry or wooden fence approved by the Architectural Control Committee. All facilities for hanging, drying or rinsing clothing or household fabrics shall be appropriately screened from view from public or private thoroughfares and adjacent properties and no lumber, grass, plant, waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulated on any portion of the Property except within enclosed structures or appropriately screened from view from public or private thoroughfares and adjacent properties. The Architectural Control Committee may adopt additional rules regulating the appearance and storage of articles, including but not limited to tanks, trash cans, pool equipment, etc.

3.32 Above ground pools. No above ground swimming pools shall be allowed on a Lot at any time.

3.33 Oak Wilt/tree ordinance. If Oak Wilt is present on an Owner's Lot, the Lot Owner shall remove all of the trees affected by the Oak Wilt and take immediate action to prevent the spread of the disease to surrounding Lots and trees. Notwithstanding, prior to removal of any tree, Lot Owner shall verify that such trees are being removed in accordance with all federal, state and local rules and ordinances.

3.34 No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants of other terms and provisions contained in this Article III or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms or provisions. Any Owner acquiring a Lot in reliance on one or more of such restrictive covenants, terms or provisions shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold Declarant harmless therefrom.

In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or their designated agents may, without liability to the Owner, Contractor or any occupants of the Tract in Trespass or otherwise, enter upon said Tract, and cause to be removed, such garbage, trash, and rubbish or do any other thing necessary to secure compliance with this Declaration at the expense of Owner. Payment for the charges by such Owner shall be payable on the first day of the next calendar month.

ARTICLE IV
USE RESTRICTIONS

- 4.1 General. Except as provided below, the Property shall be improved and used solely for single family residential use or for Common Areas. Common Areas may, subject to the approval of Declarant, be improved and used for active and passive recreational purposes for the primary benefit of Owners and occupants of portions of the Property; provided, however that, as to any specific area, Declarant may, in its sole and absolute discretion, permit other improvements and uses.
- 4.2 Minimum Yards. The location of all Improvements located on a Lot shall be subject to approval by the Architectural Control Committee. Minimum yard and setback requirements may be established in excess of those shown on the plat or contained in City ordinances, if any, by the Architectural Control Committee or by Declarant through a Supplemental Declaration in order to maximize open areas, pedestrian and vehicular movement and to benefit the overall appearance of the Property.
- 4.3 Common Areas. No land with any Common Areas shall be improved, used, or occupied, except in such a manner as shall have been approved by the Board, in its sole and absolute discretion. Such required approval shall extend to the nature and type of use, occupancy and improvement. Access to any Common Areas may be limited to persons currently paying Assessment fees and other charges, or otherwise conditioned or restricted, or made available to non-Owners, all on such terms and conditions as the Board may determine, in its sole discretion.
- 4.4 Recreational Improvements. Any proposed construction of recreational improvements within a Greenbelt or any Amenity Areas shall be subject to approval by the Architectural Control Committee.
- 4.5 Utility Lots. Lots dedicated to public or private utilities shall be used solely for utility purposes.

ARTICLE V
CANYON CREEK PRESERVE PROPERTY OWNERS ASSOCIATION

- 5.1 Organization. The Declarant shall, at such time as Declarant deems appropriate, cause the formation and incorporation of the Association as a nonprofit corporation under the laws of the State of Texas. The Association shall be created for the purposes, charged with the duties, governed by the provisions, and vested with the powers prescribed by law or set forth in its Certificate of Formation and Bylaws or in this Declaration. Neither the Certificate of Formation nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. Nothing in this Declaration shall prevent the creation, by provision therefor in Supplement Declaration(s) executed and recorded by Declarant or any person or persons authorized by Declarant, of Sub-associations to own, develop, assess, regulate, operate, maintain or manage the Property subject to such Supplemental Declarations.
- 5.2 Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject to, by covenants or record, Assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities holding an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership, any Mortgagee or Lienholder who acquired title to any Lot which is a part of the Property through judicial or non-judicial foreclosure, shall be a Member of the Association. It is understood that the Subdivision may be developed in phases or sections, and upon the completion of Subdivision of each individual section or phase by Declarant, such completed section or phase or any part thereof shall, at the option and election of Declarant, be incorporated within the scheme of the Declarant and become bound

hereby and a part hereof, which incorporation shall be evidenced by the filing of the Supplemental Declaration.

5.3 Voting Rights. The Association shall have two classes of voting memberships. Developer shall be entitled to ten (10) votes for each Lot owned. Each Lot, other than those owned by the Developer, shall have only one vote regardless of the number of Owners of such Lot. In the event that more than one person owns a Lot and the group of Owners do not have a unified vote, then the Association shall not recognize the vote for the Lot and such vote shall not be counted when calculating membership votes. Notwithstanding the foregoing, the presence of any Owner of a Lot at a meeting of Members permits the inclusion of the Lot represented when calculating the number present for a quorum.

5.4 Powers and Authorities of the Association. The Association shall have the powers of the Texas Nonprofit Corporation, subject only to such limitations upon the exercise of such power(s) as are expressly set forth in this Declaration. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the Laws of Texas or of the two (2) preceding sentences, the Association and the Board, acting on behalf of the Association, shall have the power and authority at all time as follows:

- (A) Canyon Creek Preserve Phase 2 Rules and Bylaws. To make, establish and promulgate, and in its discretion to amend or repeal and re-enact, such Canyon Creek Preserve Phase 2 Rules and Bylaws not in conflict with this Declaration, as it deems proper covering any and all aspects of its functions, including but not limited to establishing fines for violations of these Restrictions.
- (B) Insurance. To obtain and maintain in effect policies of insurance which, in the opinion the Board are reasonably necessary or appropriate to carry out the Association functions.
- (C) Records. To keep books and records of the Association's affairs.
- (D) Assessments. To levy assessments as provided in Article VII below. An assessment is defined as that sum which must be levied in the manner and against the property set forth in Article VII hereof in order to raise the total amount for which the levy in question is being made.
- (E) Right of entry and Enforcement. To enter at any time in an emergency (or in the case of non-emergency, after twenty-four (24) hours written notice), without being liable to any Owner, upon any Lot and into any improvement thereon, excluding a completed dwelling used as a single family residence, for the purpose of enforcing the Canyon Creek Preserve Phase 2 Restrictions or for the purpose of maintaining or repairing any area, improvement or other facility to conform to the Canyon Creek Preserve Phase 2 Restrictions. The expenses incurred by the Association in connection with such entry upon any Lot and the maintenance and repair work conducted thereon shall be a personal obligation of the Owner of the Lot entered upon, shall be a lien upon the Lot entered upon and upon the improvements thereon, and shall be enforced in the same manner and to the same extent as provided in Article VII hereof for regular and special assessments. The Association shall have the power and authority from time to time, in its own name and on its own behalf, or in the name of and on behalf of any Owner who consents thereto, to commence and maintain actions and suits to enforce, by mandatory injunction or otherwise, or to restrain and enjoin, any breach or threatened breach of the Canyon Creek Preserve Phase 2 Restrictions. The Association is also authorized to settle claims, enforce liens and take any action as it may deem necessary or expedient to enforce the Canyon Creek Preserve Phase 2 Restrictions; provided, however, that the Board shall never be authorized to expend any Association funds for the purpose of bringing suit against Declarant, its successors or assigns.
- (F) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association.

(G) Collection for Sub-association. To collect on behalf of and for the accounting of any Sub-association (but not to levy) any assessment made by a Sub-association created pursuant to this Declaration.

(H) Conveyances. To grant and convey to any person or entity the real property and/or other interest therein, including fee title, leasehold estates, easements, rights-of-way, or mortgages out of, in, on, over, or under any Common Properties for the purpose of constructing, erecting, operating or maintaining the following:

- (1) Parks, parkways or other recreational facilities or structures;
- (2) Roads, streets, walks, driveways, trails and paths;
- (3) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (4) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines; and/or
- (5) Any similar public, quasi-public or private improvements or facilities; provided, however, that the Association shall not convey fee simple title in and to, or mortgage all or any portion of any Common Properties without the consent of at least sixty-seven (67%) of the Owners (excluding Declarant).

Nothing above contained, however, shall be construed to permit use or occupancy of any improvement or other facility in a way which would violate applicable use and occupancy restrictions imposed thereon by other provisions of this Declaration.

(I) Manager. To retain and pay for the services of a person or firm (the "Manager") to manage and operate the Association, including its property, to the extent deemed advisable by the Board. Additional personnel may be employed directly by the Association or may be furnished by the Manager. To the extent permitted by law, the Association and the Board may delegate any other duties, powers and functions to the Manager. The members of the Association hereby release the Association and the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

(J) Association Property Services. To pay for water, sewer, garbage removal, landscaping, gardening and all other utility services for all Common Properties.

(K) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board is required to secure or to pay for pursuant to applicable law, the terms of this Declaration, or the Certificate of Formation or Bylaws of the Association.

(L) Construction on Association Property. To construct new improvements or additions to Common Properties, subject to the approval of the Architectural Control Committee as provided in this Declaration.

(M) Contracts. To enter into contracts with Declarant and other persons on such terms and provisions as the Board shall determine, to operate and maintain any Common Area or to provide any service or perform any function on behalf of Declarant or any Person.

(N) Property Ownership. To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise and to own and operate any and all types of facilities for both active and passive recreation.

5.5 Maintenance and Landscape Authority. The Association shall maintain and repair easements, entrances, gates, roads, roadways, rights-of-way, parks, parkways,

swimming pools, landscaped median or median strips, sidewalks, paths, trails, ponds, lakes and other areas of the Property, as appropriate, and all streets and roadways within the Property, which have been completed but not accepted by the appropriate governmental entity for maintenance. In addition, the Association shall be authorized to landscape all easements, access easements, rights-of-way, median strips, sidewalks, paths, trails, detention ponds and other areas of the Property, as appropriate. Prior to the Control Transfer Date, the Association, shall, upon first securing the consent of Declarant, maintain all Common Areas dedicated to the Association for maintenance. The Association shall also maintain any landscaped medians and boulevard areas, not fronting lots, located in any public right-of-way.

5.6 Lighting. The Association shall pay for any electrical service and for all other costs and expenses necessary to operate and maintain the lighting whether within street right-of-ways, Greenbelt and Amenity Areas or on Common Properties.

5.7 Common Properties. Subject to and in accordance with this Declaration, the Association, acting through the Board, shall have the following duties:

(A) To accept, own, operate and maintain all Common Areas which may be conveyed or leased to it by Declarant, together with all improvements of whatever kind and for whatever purpose which may be located in said area; and to accept, own, operate and maintain all other Common Properties, real and personal, conveyed or leased to the Association by the Declarant and to maintain in good repair and condition all lands improvements and other Association property owned by or leased to the Association. Such maintenance shall include, but not be limited to, mowing and removal of rubbish or debris of any kind.

(B) To construct, maintain, repair and replace landscape improvements and irrigation systems which lie within public rights-of-way, pursuant to any agreement with the Medina County or other appropriate governmental authority.

(C) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the members of the Association. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(D) Upon the approval of two-thirds (2/3rds) of the Owners, (excluding Declarant), to execute mortgages, both construction and permanent, for construction of facilities, including improvements on property owned by or leased to the Association. Additionally, the Association may accept lands in Common Areas, whether or not improved, from Declarant subject to such mortgages or by assuming such mortgages. Financing may be effected through conventional mortgages or deeds of trust, the issuance and sale of development or other bonds, or in any other form or manner as may be deemed appropriate by the borrower, whether Declarant or the Association. The mortgage or other security interest given to secure repayment of any debt may consist of a first, second or other junior lien as shall be deemed appropriate by borrower, whether Declarant or the Association, on the improvement or other facility to be constructed, together with such underlying and surrounding lands as the borrower deems appropriate. The debt secured by such mortgage or other security instrument may be retired from and secured by the revenues generated by dues, use fees or Assessment paid by the members of the Association, as the case may be, but subject to the limitations imposed by this Declaration.

(E) To take out and maintain current a policy of liability insurance coverage to cover accidental bodily injury and/or death caused by the use and enjoyment of the Greenbelt and/or Amenity Area, as well as casualty coverage on all real and personal property owned by the Association, and in such amounts as determined by the Board, if the Board shall deem the same appropriate.