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NO. 68938 - RESERVATIONS, RESTRICTIONS, COVENANTS AND
EASEMENTS. CANYON LAKE, LTD. ET AL TO THE
PUBLIC.

THE STATE OF TEXAS:

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF COMAL:

That CANYON LAKE, a Limited Partnership, acting herein by and through its General Partner, THE CANYON LAKE CORPORATION, a Texas corporation, being the owner of that certain 46.4 acre tract out of the Charles Murhardt Survey, Abstract 404, Comal County, Texas, which has been heretofore platted and subdivided into that certain subdivision known as CYPRESS COVE, SECTION 2 according to the Plat of said subdivision filed for record in the office of the County Clerk of Comal County, Texas, on the 16th day of January, 1963, in Volume 1 Page 60 & 61, and desiring to create and carry out a uniform plan for the improvement, development and sale of all of the lots in said Cypress Cove, Section 2, for the benefit of the present and future owners of said lots and Cypress Cove Maintenance Association, does hereby adopt and establish the following reservations, restrictions, covenants and easements to apply uniformly to the use, occupancy and conveyance of all lots in Cypress Cove, Section 2, and each contract or deed which may be hereafter executed with regard to any of the lots in said Cypress Cove, Section 2, shall conclusively be held to have been executed, delivered and accepted subject to the following reservations, restrictions, covenants and easements, regardless of whether or not said reservations, restrictions, covenants and easements are set out in full or by reference in said contract or deed:

RESTRICTIONS

1. LAND, USE AND BUILDING TYPE:

No lot shall be used for any purpose except for single family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one single family dwelling not to exceed two and one-half stories in height and a private garage for not more than three cars and permitted accessory structures.

2. ARCHITECTURAL CONTROL:

No building or other improvements shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure or improvements have been approved by the Architectural Control Committee as to use, quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade

elevation. The Architectural Control Committee is composed of three members whose names and addresses are Ike P. Robinson, 510 Taft Street, Houston, Texas, R. H. Basden, 510 Taft Street, Houston, Texas and J. R. Dupuy, 510 Taft Street, Houston, Texas. A majority of the Committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee the remaining members shall have full authority to designate a successor. Neither the members of the Committee nor its representative shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the membership of the Committee or to withdraw from the Committee or to restore to it any of the powers and duties granted herein. The Committee's approval or disapproval as required herein shall be in writing. If the Committee, or its designated representative, fails to give written approval or disapproval within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion of the improvements, approval will not be required and the related covenants shall be deemed to have been fully satisfied. The Architectural Control Committee, at its sole discretion, is hereby permitted to approve deviations in building area and location in instances where, in their judgment, such deviation will result in a more commonly beneficial use. Such approval must be granted in writing and when given will become a part of these restrictions.

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3. DWELLING SIZE AND CONSTRUCTION:

The ground floor livable area of each main residential structure, exclusive of open or screened porches, stoops, and garages, shall not be less than 600 square feet.

4. BUILDING LOCATION:

No building shall be located on any lot nearer to the front lot line or nearer to the side street lot line than the minimum building setback line shown on the recorded plat. No building shall be located nearer than 5 feet to any interior lot line. No hedge, fence or other structure over 4 feet six inches in height shall be erected, installed or maintained on any lot nearer to the front property line than the front line of the residence thereon, except by written consent of the Architectural Control Committee.

5. LOT AREA AND WIDTH:

No dwelling shall be erected or placed on any site consisting of less than an entire lot as platted.

* Current Address
Cypress Cove Maintenance Assoc.
PO Box 1107
Spring Branch, TX. 78070

6. NUISANCES:

No noxious or offensive activity shall be permitted upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

7. TEMPORARY STRUCTURES:

No structure of a temporary character, trailer, basement, tent, shack, garage (except for living quarters contained therein for bona fide servants), barn or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently. Temporary structures used as Building Offices and for other related purposes during the construction period must be inconspicuous and slightly.

8. SIGNS:

No signs of any kind shall be displayed to the public view on any lot except one sign of not more than 5 square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during construction and sales period.

9. OIL AND MINING OPERATIONS:

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

10. LIVESTOCK AND POULTRY:

No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes. Horses may be kept in a stable on any lot containing more than 25,000 square feet or on three or more contiguous lots owned by one owner, whichever is the greater area. The stable may not be constructed within one lot width of adjoining property; if the stable is constructed on property consisting of three or more contiguous lots.

11. GARBAGE AND REFUSE DISPOSAL:

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall not be kept except in sanitary containers. All incinerators

or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

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12. LAND NEAR PARKS AND WATER COURSES:

No building shall be placed nor shall any material or refuse be placed or stored on any lot within 20 feet of the property line of any park or edge of any open water courses, except that clean fill may be placed nearer provided that the natural water course is not altered or blocked by such fill.

13. SEWAGE DISPOSAL:

No cesspool or other individual sewage system shall be constructed or used on any lot except a septic tank system approved by the state and county health officers. Use of outside toilets shall not be permitted under any circumstances.

14. CUTTING WEEDS:

Grass, vegetation and weeds on each lot shall be cut as often as may be necessary in order to maintain the same in a neat and attractive appearance. If the owner of any lot fails to do so, Cypress Cove Maintenance Association may have the same cut and the owner shall be obligated to pay the cost of such work. Likewise, all drainage ditches shall be maintained in the same manner and shall be unobstructed at all times. Any bridge or culvert on any lot must be approved by the Architectural Control Committee as to design, capacity and width.

15. FIREARM PROHIBITION:

The use or discharge of pistols, rifles, shot guns or other firearms is expressly prohibited on any part of the property.

16. TERMS:

These covenants and restrictions are to run with the land and shall be binding on all owners of lots in Cypress Cove, Section 2, and all persons claiming under them for a period of twenty-five years from the date that this instrument is filed for record in Comal County, Texas, after which time said covenants and restrictions shall be automatically extended for successive periods of 10 years unless an instrument signed by a majority of the then owners of the lots is filed for record in Comal County, Texas, altering, rescinding or modifying said covenants and restrictions in whole or in part.

17. MAINTENANCE FUND:

Each lot in Cypress Cove, Section 2, shall be subjected to an annual maintenance charge of not more than \$24.00 per lot for the purpose of creating a fund to be known as the Cypress Cove Maintenance Fund and which maintenance charge shall be paid by the owner of each lot in Cypress Cove, Section 2. This maintenance charge shall be secured by a vendor's lien on each lot as and when sold by Canyon Lake, Ltd. and such maintenance charge shall be paid annually on the 1st. day of July of each year in advance, commencing with July 1 of the year following the date of sale of such lot by Canyon Lake, Ltd. Appropriate recitations with respect to such maintenance fund and the reservation of the vendor's lien shall be included in each contract of sale and/or deed executed and delivered by Canyon Lake, Ltd. with respect to each lot. The maintenance fund shall be applied, insofar as it may be sufficient, towards the payment of maintenance expenses for any or all of the following purposes: Lighting, improving and maintaining roads, park areas, vacant lots, garbage and rubbish disposal and any other things necessary or desirable in the opinion of Cypress Cove Maintenance Association to maintain or improve the property, or which it considers to be of general benefit to the owners or occupants of Cypress Cove, Section 2, it being understood that the judgment of Cypress Cove Maintenance Association in the expenditure of said fund shall be final so long as said judgment is exercised in good faith. Such maintenance charge may be adjusted by Cypress Cove Maintenance Association from year to year as the needs of the property may, in its judgment, require, but in no event shall such maintenance fund exceed \$24.00 per year per lot. The Association, at its sole discretion, may elect to limit the collection of the annual charge in instances where a member owns

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more than one contiguous lot, to a sum consisting of the full current rate for the first lot and one-half the current rate for each additional contiguous lot owned by that member. The maintenance charge shall remain effective until July 1, 1988 and shall automatically be extended thereafter for successive periods of ten year; provided, however, that the owners of the majority of the lots in Cypress Cove, Section 2, may revoke such maintenance charge on either July 1, 1988 or at the end of any successive 10-year period thereafter by executing and acknowledging the appropriate agreement or agreements in writing for such purpose and filing the same for record in the office of the County Clerk of Comal County, Texas, at any time prior to July 1, 1983 or at any time prior to five years preceding the expiration of any successive 10-year period thereafter.

18. RIGHTS OF MORTGAGEES:

Any violation of any of the easements, agreements, restrictions, reservations or covenants contained herein shall not have the effect of impairing or effecting the rights of any mortgagee or trustee under any mortgage or deed of trust outstanding against the lot, at the time that the easements, agreements, restrictions, reservations or covenants are violated.

19. ENFORCEMENT:

The covenants, reservations, easements and restrictions set out herein are for the benefit of Canyon Lake, Ltd., its successors and assigns, and equally for the benefit of any subsequent owner of a lot or lots in Cypress Cove, Section 2, and his heirs, executors, administrators and assigns. Accordingly, all of the covenants, reservations, easements and restrictions contained herein shall be construed to be covenants running with the land, enforceable at law or in equity, by any one or more of said parties.

20. SEVERABILITY:

The invalidity, abandonment or waiver of any one of these covenants, reservations, easements and restrictions shall in no wise affect or impair the other covenants, reservations, easements and restrictions which shall remain in full force and effect.

EASEMENTS

There are dedicated and reserved permanent and unobstructed easements as shown on the recorded plat of Cypress Cove, Section 2, across certain designated portions of various of the lots therein upon, under and through which public utilities, which said easements shall be a burden and charge against such lots in Cypress Cove, Section 2, by whomsoever owned. There is also dedicated and reserved a 5 foot easement along each side property line and the rear property line of each lot in Cypress Cove, Section 2, for the construction and maintenance of the above mentioned services and public utilities, and there is also dedicated and reserved an unobstructed aerial easement for utilities 5 feet wide from a plane 20 feet above the ground upward located adjacent to all easements above described and all easements shown on the above mentioned recorded plat.

RESERVATIONS

The following reservations and easements shall be considered a part of and be construed as being adopted in each and every contract, deed or other conveyance executed or to be executed by or on behalf of Canyon Lake, Ltd. in the conveyance of the various lots in Cypress Cove, Section 2.

1. Canyon Lake, Ltd., its successors and assigns, shall have the right to construct, erect and maintain over, along, upon and under the several streets, drives, lanes, roads, easements and reserve areas, as shown on the above mentioned subdivision plat of Cypress Cove, Section 2, wires and poles for the purposes of constructing and maintaining a system of electric lights, power, telegraph and telephone lines and connections; and to construct, lay and maintain along, in and under any and all of said streets, lanes, drives, roads, easements and reserve areas all pipe, conduits, valves and other necessary and proper equipment for the construction of systems of drainage, sewage and water supply (retaining also the right to grant or deny to areas beyond said subdivision connection

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privileges on said drainage, sewage or water systems), gas, light and power, telegraph and telephone service and other utilities to the subdivision and the lot owners therein; and for all other purposes incident to the development and use of said property as a community unit and subdivision.

2. It is agreed and understood that the title conveyed by Canyon Lake, Ltd. to any lot or parcel of land in said subdivision by contract, deed or other conveyance shall not in any event be held or construed to include the title to the water, gas, sewer, electric light, electric power or telegraph or telephone lines, poles or conduits or any other utility or appurtenances thereto constructed by Canyon Lake, Ltd., or any public utility companies through, along or upon any portion of the hereinabove mentioned streets, drives, lands, roads, easements and reserve areas, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances is hereby expressly reserved in Canyon Lake, Ltd.

Clayton N. Smith and wife, Elizabeth Ruble Smith, the present owners and holders of the vendor's and deed of trust liens covering the property comprising Cypress Cove, Section 2, join in placing the above reservations, restrictions, easements and covenants on Cypress Cove, Section 2, and each and every tract, lot or parcel of land therein and agree that the dedication and subdivision of said property by the above mentioned plat and said reservations, restrictions, easements and covenants shall continue in full force and effect and be binding upon the said Clayton N. Smith and wife, Elizabeth Ruble Smith, their heirs, assigns and legal representatives, and any interest now owned or hereafter acquired by them in Cypress Cove, Section 2, or any part thereof.

SIGNATURES OF COVENANTORS AND NOTARIZATIONS ARE FOUND IN THIS SPACE IN THE RECORDED DOCUMENTS.