

3 CREEK RANCH MASTER RULES AND REGULATIONS

These Master Rules and Regulations shall apply to all of the Properties until such time as they are amended, modified, repealed or limited by rules of the Association adopted pursuant to Article III of the Declaration of Covenants, Conditions and Restrictions for 3 Creek Ranch (the "Declaration"). The definitions contained in the Declaration are incorporated by reference herein.

1. General. The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center, design center, Builders' construction offices and/or a sales office (including new sales and resales) for Founder or any real estate broker retained by the Founder to assist in the sale of property described on Exhibit "A", offices for any property manager retained by the Association, or business offices for the Founder, the Association or the Golf Course) consistent with these Master Rules and Regulations and the Declaration, and any amendments thereto.

2. Restricted Activities. The following activities are prohibited within the Properties unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking of any vehicles on public or private streets or thoroughfares, or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles or inoperable vehicles in places other than enclosed garages; provided, construction, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Property; and provided, parking of guests of Owners shall be acceptable unless otherwise restricted or prohibited by these restrictions;

(b) Raising, breeding or keeping of animals, livestock, or poultry of any kind, except that dogs, cats, or other usual and common household pets may be permitted on a Property as provided in the Declaration; however, those pets which are permitted to roam free, or which, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Properties shall be removed upon the request of the Board. If the pet owner fails to honor such request, the Board may remove the pet. Dogs and cats shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside of a dwelling. Owners shall be responsible for cleaning up their pets' droppings. Pets shall be registered, licensed and inoculated as required by law;

(c) Any activity which emits foul or obnoxious odors on the Properties or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of the Properties;

(d) Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

- (e) Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Properties;
- (f) Any noxious offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Properties:
- (g) Outside burning of trash, leaves, debris or other materials;
- (h) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Properties, except alarm devices used exclusively for security purposes;
- (i) Use and discharge of firecrackers and other fireworks;
- (j) Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Properties, except that fertilizers may be applied to landscaping on Properties provided care is taken to minimize runoff, and Founder and its agents may dump and bury rocks and trees removed from a building site on such building site;
- (k) Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers not visible from adjoining Properties, Common Areas or the Golf Course;
- (l) Obstruction or rechanneling of drainage flows or waterways after location and installation of drainage swales, storm, sewers, or storm drains and waterways except that the Founder shall have such right, provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Property without the Owner's consent;
- (m) Subdivision of a Property into two or more Properties, or changing the boundary lines of any Property without the approval of the ARC, except that the Founder shall be permitted to subdivide or remap Properties which it owns;
- (n) Use of any Property for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Property rotates among participants in the program on a fixed or floating time schedule over a period of years;
- (o) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;
- (p) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Property for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank approved by the ARC for reasonable domestic use;
- (q) Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing on a Property may conduct business activities within the Property so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Property; (ii) the business activity conforms to all zoning requirements for the Properties; (iii) the business activity does not

involve regular visitation of the Property by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Properties; and (iv) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms “business” and “trade” as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider’s family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

The leasing of a Property shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Founder with respect to its development and sale of the Properties or its use of any Properties which it owns within the Properties;

(r) Capturing, trapping or killing of wildlife within the Properties, except in circumstances posing an imminent threat to the safety of persons using the Properties;

(s) Any activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Properties or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;

(t) Conversion of any garage to finished space for use as an apartment or other integral part of the living area on any Property without the prior approval of the ARC pursuant to the Design Guidelines;

(u) Operation of motorized vehicles on pathways or trails maintained by the Association or the Golf Course Owner; and

(v) Any construction, erection, or placement of any thing, permanently or temporarily, on the outside portions of the Properties whether such portion is improved or unimproved, except in strict compliance with the requirements of the Board, the ARC and the Design Guidelines. This shall include, without limitation, basketball hoops, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; hedges, walls, dog runs, animal pens, or fences of any kind and signs of any kind except approved signs for street names, home address numbers, building signs and club directions.

3. Prohibited Conditions. The following shall be prohibited within the Properties:

(a) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties;

(b) Structures, equipment or other items on the exterior portions of an improvement on a Property which have become rusted, dilapidated or otherwise fallen into disrepair;

(c) Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, ponds, creeks, streams or other ground or surface waters within the Properties, except that Founder and the Association shall have the right to draw water from such sources; and

(d) Exterior antennas, aerials, satellite dishes, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind unless completely contained within the dwelling structure so as not to be visible from outside the dwelling structure or unless otherwise approved by the ARC or the Board or pursuant to the Design Guidelines or Declaration. Founder and the Association shall have the right, without obligation, to erect or install and maintain such apparatus for the benefit of all or a portion of the Properties.

(e) Non-native invasive plant species shall not be used in landscape plans. Disposal of cuttings of these or any other ornamental plants on the Properties is strictly prohibited.

4. Leasing of Properties. “Leasing,” for purposes of this Paragraph, is defined as regular, exclusive occupancy of a Property by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Property Owner within ten days of execution of the Lease. The Owner must make available to the lessee copies of the Declaration, Bylaws, and the Master Rules and Regulations. Lessees are not permitted to use the fishing licenses granted pursuant to the Fishing License Agreement or the Naturalist program provided to Owners under the Declaration unless permission is granted by the Board for such Lessee to do so. No home within 3 Creek Ranch shall be rented for less than thirty (30) days per rental.

(a) Written schedule of use. Owners must submit a written schedule of rentals to the Board of Directors or its representative 7 days prior to arrival of any renter. The written schedule shall include the primary renter’s name, contact information, beginning and ending dates of rental use, and number of family members and guests. Security personnel will be notified of the details of the guests’ stay. If you fail to notify the Board of Directors of your renters in advance, they may be turned away by security personnel.

(b) Renters check in. Renters are required to check in with security upon arrival to pick up a complete set of Rules and Regulations for 3 Creek Ranch and identification tags for vehicles.

(c) Amenities. Owners are responsible to notify all renters that the use of Club amenities and HOA amenities are not included in rental – this includes fishing, golf, and naturalist center.

(d) Enforcement; Liabilities. Owners are ultimately responsible for all liabilities or violations of 3 Creek Ranch Rules and Regulations and CCRs associated with their renters and the renter’s guests.