

DECLARATION OF COVENANTS AND RESTRICTIONS

BLOCK HOUSE CREEK, PHASE "E," SECTION 612

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

THIS DECLARATION OF COVENANTS AND RESTRICTIONS (the "Declaration"), is made on the date hereinafter set forth by BLOCK HOUSE VENTURE, a Texas joint venture (hereinafter referred to as "Declarant");

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Article 3 of this Declaration and desires to create thereon a residential community with designated "Lots" and "Common Properties" (as those terms are defined herein) for the benefit of the present and future owners of said Lots; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community and, to this end, desires to subject the real property described in Article 3 together with such additions as may hereafter be made thereto, to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

NOW, THEREFORE, Declarant declares that the real property described in Article 3 is and shall be held, transferred, sold, conveyed, occupied and enjoyed subject to the covenants, restrictions, easements, charges and liens (sometimes referred to herein collectively as "covenants and restrictions") hereinafter set forth.

ARTICLE I

Definitions

The following words, when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- 1.1 "Subdivision" shall mean and refer to the settlement at BLOCK HOUSE CREEK PHASE "E," SECTION 612, all subsequent phases brought within the scheme of this Declaration, and any other real property brought within the scheme of this Declaration pursuant to Article 3 including without limitation all or portions of other subdivisions being or to be developed by Declarant or affiliated or subsidiary entities.
- 1.2 "Properties" shall mean and refer to the properties described in Article 3 hereof which are subject to this Declaration.
- 1.3 "Subdivision Plat" shall mean and refer to the map or plat of the settlement at BLOCK HOUSE CREEK, PHASE "E," SECTION 612, recorded in Cabinet H, Slides 266-268 of the Plat Records of Williamson County, Texas.

- 1.4 "Lot" and/or "Lots" shall mean and refer to each of the lots shown upon the Subdivision Plat.
- 1.5 "Owner" shall mean and refer to the record owner of the fee simple title to any Lot situated upon the Properties, or if such Lot is subject to a term purchase contract with Declarant, to the contract purchaser, whether one or more persons or entities; but notwithstanding any applicable theory of the mortgage, shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.
- 1.6 "Development Plan" shall mean and refer to that plan to be submitted to the Architectural Control Committee pursuant to Article 4.
- 1.7 "Architectural Control Committee" shall mean and refer to that committee constituted under Article 4 hereof for the review of Development Plans (as hereinafter defined) and other functions.
- 1.8 "Common Properties" shall mean and refer to all portions of the Properties other than the Lots.

ARTICLE 2

Easements

2.1 Existing Easements. The Subdivision Plat dedicates for use as such, subject to the limitations set forth therein, certain streets and easements shown thereon, and such Subdivision Plat further establishes dedications, limitations, reservations and restrictions applicable to the Properties. Further, Declarant and Declarant's predecessors in title have heretofore granted, created and dedicated by several recorded instruments certain other easements, restrictions, limitations, reservations and related rights affecting the Properties. All dedications, limitations, restrictions and reservations shown on the Subdivision Plat and heretofore made by Declarant and Declarant's predecessors in title affecting the Properties are incorporated herein by reference and made a part of this Declaration for all purposes, as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Properties. The Declarant hereby expressly reserves the right to designate various private persons, firms, corporations and other entities who may use the easements set forth on the Subdivision Plat for purposes of installing, servicing, repairing and replacing audio and video communication equipment and cables.

2.2 Changes and Additions. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements. Further, Declarant reserves the right, without the necessity of the joinder of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, easements for public utility and audio-video communications purposes (including, without limitation, gas, water, electricity, cable television, telephone and drainage), in favor of any person or entity furnishing or to furnish such services to the Properties, along and on either or both sides of any side Lot line.

2.3 Title to Easements and Appurtenances Not Conveyed. Title to any Lot conveyed by Declarant by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way, or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto, constructed by or under Declarant or its agents through, along or upon any Lot or any part thereof to serve said Lot or any other portion of the Properties and the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

2.4 Installation and Maintenance. There is hereby created an easement upon, across and over and under all of the Properties for ingress and egress in connection with installing, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, telephones, cable television, electricity, gas and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies and other entities supplying service to install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto, on, above, across and under the Properties within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any structure. Notwithstanding anything contained in this paragraph, no sewer, electrical lines, water lines or other utilities or appurtenances thereto may be installed or relocated on the Properties until approved by Declarant. The utility companies furnishing service shall have the right to remove all trees situated within the utility easements shown on the Subdivision Plat, and to trim overhanging trees and shrubs located on portions of the Properties abutting such easements. Any utilities to the subdivision shall be underground and it shall be the obligation of each Owner to provide such underground lines, connections and appurtenances from the easement to point of attachment on the structure, at Owner's cost and in accordance all rules, regulations, and requirements of the entity furnishing such utility and any governmental agency having jurisdiction.

2.5 Emergency and Service Vehicles. An easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, and to garbage and trash collection vehicles and other service vehicles to enter upon the Properties in the performance of their duties.

2.6 Underground Electric Service. An underground electric distribution system will be installed within the Properties. The Owner of each Lot shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on the customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and

specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. All electric service to any Lot shall be single phase, 120/140 volt, three wire, 60 cycle, alternating current.

2.7 Surface Area. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns, or flowers. However, neither Declarant nor any supplier of any utility or service using any easement area shall be liable to any Owner for any damage done by them or either of them, or their respective agents, employees, servants or assigns, to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

ARTICLE 3

Property Subject to this Declaration

3.1 Description. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration consists of the following:

All of THE SETTLEMENT AT BLOCK HOUSE CREEK, PHASE "E," SECTION 612, being 20.58 acres of land out of the S. J. Dover Survey No. A-168, a subdivision in Williamson County, Texas, according to the Plat thereof recorded in Cabinet H, Slides 266-268, of the Plat Records of Williamson County, Texas (or any subsequently recorded plat thereof).

3.2 Mineral Exception. There is hereby excepted from the Properties and Declarant will hereafter except from all its sales and conveyances of the Properties, or any part thereof, including the Lots and Common Properties, all oil, gas, and other minerals in, on and under the Properties, but Declarant hereby waives its right to use the surface of such land for exploration for or development of oil, gas and other minerals.

3.3 Enforcement Rights. The Properties are being developed as a stage in the same scheme of development with certain other property owned by Declarant or its predecessors in interest. Such other property includes the residential subdivisions described on Exhibit A attached hereto and incorporated herein for all purposes, and any other residential subdivision out of the property described on Exhibit B attached hereto and incorporated herein for all purposes, for which a subdivision plat has been filed in the Plat Records of Williamson County, Texas or its successors in interest prior to the date this Declaration has been filed in the Official Records of Williamson County, Texas (such properties being hereinafter referred to as "Block House"). Therefore, owners of lots in Block House shall be entitled to enforce these covenants and restrictions against Owners and to the extent permitted by the declarations of covenants and restrictions for each residential subdivision comprising Block House (collectively hereinafter referred to as "Block House Restrictions"), Owners shall be able to enforce the Block House Restrictions against owners of lots in

Block House. To the extent there is any conflict between the two, the Block House Restrictions shall apply to Block House and this Declaration shall apply to the Subdivision.

3.4 Additions to Existing Property. Declarant, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development (including, without limitation, subsequent sections of Block House and all or portions of other subdivisions being or to be developed by Declarant or affiliated or subsidiary entities), in its sole discretion. Any additions authorized under this section shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property. Such Supplemental Declaration must impose an annual maintenance charge assessment on the property covered thereby, on a uniform, per lot basis, substantially equivalent to the maintenance charge and assessment imposed by this Declaration, if any, at that time, and may contain such complementary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be applicable to the additional lands.

ARTICLE 4

Architectural Control Committee

4.1 Approval of Development Plan. No building, structure, fence, wall or other improvement shall be commenced, erected, constructed, placed or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until a Development Plan shall have been submitted in accordance herewith to and approved by the Architectural Control Committee (the "Committee").

4.2 Committee Membership. The initial Committee shall be composed of three (3) members selected by Declarant, who by majority vote may designate a representative or representatives to act for them. The term "Architectural Control Committee" as used herein shall refer to the individuals named above, their assignees as permitted herein, or the Committee's designated representatives. In the event of death or resignation of any member or members of the Committee, the remaining member or members shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full right, authority, and power to carry out the functions of the Committee as provided herein, or to designate a representative with like right, authority and power.

4.3 Transfer of Authority to Owners. The duties, rights, powers and authority of the Committee constituted hereby may be assigned at any time, at the sole election of a majority of the members of the Committee, to a committee of Owners elected by a majority of Owners, and from and after the date of such assignment, and the acceptance thereof by such committee, the committee of Owners shall have full right, authority and power, and shall be obligated to perform the functions of the Committee as provided herein, including the right to designate a representative or representatives to act for it.

4.4 Development Plan. The Development Plan to be submitted in accordance herewith shall be submitted in triplicate to the Committee and shall consist of the following:

(a) three copies of a plat or map drawn to scale of one inch (1") equal twenty feet (20') depicting the following:

- (i) existing property lines, rights-of-way and easements on the Lot and all adjacent Lots (including drainage easements), public and private streets abutting the Lot, creeks, existing vegetation (with existing trees and shrubs of diameter in excess of six inches (6") spotted), finish grade elevation of the Lot, and other existing natural features and improvements; and
- (ii) the location on the Lot and the dimensions and shape of any and all proposed structures and other improvements, including buildings, garages, sidewalks, garbage facilities, signs, clothes drying facilities, private waste disposal systems, dog runs and other pet care facilities, exterior lights, bridges, culverts, pools, cabanas, walkways, patios, fences and walls.

(b) three complete sets of plans and specifications for all improvements to be constructed;

(c) an enumeration of the exterior color scheme and samples of materials to be used; and

(d) such other information and detail as the Committee shall reasonably require.

4.5 Procedure for Submission and Approval of Development Plan. The Development Plan to be submitted hereunder shall be submitted in triplicate to the Committee at 2800 Block House Drive West, Leander, Texas 78641, or such other address as the Committee may designate in writing. The approval or disapproval by the Committee of any Development Plan submitted shall be communicated in writing to the Owner submitting such Plan at the address indicated in the Plan, provided that in the event the Committee fails to notify any Owner of approval or disapproval within thirty (30) days of the submission of any Development Plan, such Plan, insofar as such Plan complies with the requirements and limitations set forth herein, shall be deemed approved; provided, that any portion of the Development Plan which is in violation of a specific requirement or limitation set forth herein shall be automatically disapproved unless the Committee grants a specific variance as described in Section 4.9 of this Article 4. The Committee, or its representative, shall review each Development Plan submitted, and in considering such Plan shall be free to take into account any number of factors, including, but not limited to:

- (a) Compliance with minimum building and construction standards; and
- (b) The appearance and aesthetics of the contemplated improvements, including, but not limited to, color scheme, shape, location on the Lot, and similarity to other structures in the Subdivision; and
- (c) The impact of the contemplated improvements upon the environment and neighboring Lots, including, but not limited to, considerations of view, drainage, and solar exposure.

The decision of the Committee with respect to any Development Plan shall be final, and the Committee shall have broad discretion in approving or disapproving any Development Plan submitted. Meetings of the Committee need not be regularly scheduled, and need not be open to the public or to the Owner submitting any Development Plan. The Committee shall maintain written records reflecting its consideration and action with respect to any Development Plan submitted. The vote or written consent of a majority of the members of the Committee shall constitute the act of the Committee. The Committee, may, from time to time, promulgate procedural rules pursuant to which it conducts its business. Any conflict between such rules and this Declaration shall be resolved in favor of this Declaration.

4.6 Liability of Members of the Committee. Neither Declarant, the Committee, nor any member thereof shall ever be liable to any Owner or other person, firm or entity for any damage, loss or injury suffered or claimed on account of:

- (a) The approval or disapproval of any Development Plan;
- (b) The design, fitness, adequacy, construction or performance of any work, whether or not pursuant to an approved Development Plan, or
- (c) The development of the Properties.

Any person, firm or entity bringing any action against the Committee, or any member thereof, as a result of the Committee's actions taken in connection with the foregoing shall be liable for all attorney's fees and court costs incurred by the Committee in defending such action if the Committee should prevail in such action. The approval by the Committee of any Development Plan shall not operate as a representation or determination by the Committee, or any member thereof, as to the safety or adequacy of the materials to be used.

4.7 Governmental Approvals. The approval of an Owner's Development Plan by the Committee shall in no way supersede or substitute for any approvals or permits required by any governmental agency or authority having jurisdiction.

4.8 Fees. The Committee may charge a reasonable fee to all persons submitting Development Plans, in order to defray expenses incurred in the processing of such Plans, and may condition approval of any Development Plan upon the payment of such fee. The Committee may also hire architects and other experts as are reasonably required and the costs so incurred shall be paid by the Committee.

4.9 Variance of Requirements Contained in Article 5. The Committee shall have the authority to grant variances from time to time with respect to the requirements and restrictions contained in Article 5 hereof, except as provided below (but not Article 6), upon written application of the Owner of any Lot when, in the sole and final judgment of the Committee, such variances will be in harmony with existing structures and will not materially detract from the aesthetic appearances of the Subdivision. Notwithstanding the foregoing, however, the Committee shall not have the authority to grant variances with respect to the provisions of Section 5.15 requiring the Owner of each Lot to construct a sidewalk adjacent to such Lot. The granting of any variance hereunder shall be in writing, shall be addressed to the Owner requesting the variance, shall describe the variance requested and any limitations imposed, shall be signed by a majority of the members of the Committee and shall clearly set forth the fact that the granting of such variance shall in no way constitute a waiver of such requirements with respect to other Owners of Lots and shall in no way operate to stop the Committee from enforcing such requirements.

ARTICLE 5

Building Requirements and Restrictions

5.1 Compliance with Approved Development Plan. No building, structure or other improvement shall be constructed, erected or placed upon any Lot, or occupied or used on any Lot, unless in accordance with the Development Plan approved by the Committee pursuant to Article 4 hereof. All requirements hereunder, including but not limited to all requirements regarding fences under Section 5.8, all requirements regarding sidewalks under Section 5.15 and all requirements regarding landscaping under Section 5.17, shall be completed and/or satisfied prior to occupancy or use of any building, structure or other improvement on any Lot.

5.2 New Materials. Only new materials shall be utilized in constructing any structures situated upon a Lot, unless approved by the Committee pursuant to Article 4 hereof.

5.3 Time for Construction. All exterior construction of the primary dwelling structure, garage, porches and any other appurtenances or appendages of every kind and character on any Lot and all interior construction shall be completed not later than one (1) year following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set.

5.4 No Window Units. No window or wall type air conditioner which is visible from any street in the Subdivision shall be permitted to be used, placed or maintained on or in any building in any part of the Properties.

5.5 Minimum Floor Area. The air conditioned portion of the principal structure erected on any Lot shall have a floor area of not less than nine hundred fifty (950) square feet for one-story dwellings and

one thousand one hundred (1,100) square feet for two-story dwellings, such area to be exclusive of all porches, carports, garages and other rooms which are not air conditioned with the main living quarters.

5.6 Roofing Materials. The only types of roofs which shall be permitted are (i) wood shingles and (ii) asphalt or composition shingles of a weight equal to 240 pounds or more per square. Any other type of roof must be approved by the Committee pursuant to Article 4 hereof.

5.7 Design. No structure may exceed two (2) stories in height or may have a garage which is intended to shelter more than three (3) cars. No detached garages or servant's quarters shall be permitted.

5.8 Fences. Fences must be of ornamental iron, wood or masonry construction. No chain link or wire mesh fences shall be permitted. Any swimming pool or other attractive nuisance shall be adequately fenced by a fence at least four feet (4') in height and suitable to preventing access by children. No wall, fence or hedge greater than three (3) feet in height shall be erected or maintained nearer to the front property line of any Lot than the building setback lines on such Lot. The owner of any corner lot shall construct and maintain a six foot (6') high fence or wall of wood or masonry construction along the side and rear property lines, and between the side property lines and the dwelling built thereon. No wall, fence or hedge shall be more than six feet (6') in height. Any wall, fence or hedge erected on a Lot by Declarant or its assigns shall be conveyed with title to the Lot and thereafter the Owner of the Lot shall be responsible for its maintenance or repair. Declarant reserves the right to erect at its sole cost and expense, and whenever Declarant in its sole discretion shall deem appropriate, a six foot (6') wooden fence along any portion of, or along all of either or both sides of Block House Drive and/or Creek Run Drive. (See also Section 6.15.)

5.9 Towers and Antennae. No antenna or other device for the transmission or reception of television signals, radio signals or any other form of electromagnetic radiation which is visible from the exterior of the residence shall be erected, used or maintained on any Lot except for antennae for receiving normal television signals. Such television antennae shall be located to the rear of the roof ridge line, gable line or center line of the principal dwelling structure if attached to such structure and shall be located to the rear of the rear wall of the principal dwelling structure if it is a freestanding antenna. No television antenna shall be permitted to extend above the roof of the primary dwelling structure so as to be visible from any street adjoining said Lot. In the event the audio-video communication services are made available to any Lot by a coaxial cable system, no television antenna may be erected thereon and any existing exterior television antenna shall be removed, except as specifically allowed in writing by the Committee. A satellite dish shall be deemed "a device for...the reception of television signals, radio signals or any other form of electromagnetic radiation" and not an "antennae for receiving normal television signals" for the purposes of this Section 5.9.

5.10 Wires and Lines. No lines, wires or devices for the communication or transmission of electric current, cable television or telephone shall be erected, placed or maintained upon any Lot unless the same shall be contained in conduit or cable installed and maintained underground or concealed in,

under or on buildings; provided, however, that this section shall not forbid the erection or use of temporary power or telephone lines incidental to the construction of buildings upon a Lot.

5.11 Masonry. The exterior of each structure built upon any interior Lot shall be of at least fifteen percent (15%) masonry construction. The exterior of each structure built upon any corner lot shall be of at least twenty-five percent (25%) masonry construction. Brick, natural stone and stucco shall be considered to be masonry for purposes of this Section. The Committee shall approve all combinations of materials and the proportion thereof upon submission of a specific design which aesthetically and architecturally blends with and enhances the Subdivision. The final decision shall be that of the Committee.

5.12 Location of Improvements. No buildings or other improvements shall be located on any Lot nearer to the front Lot line than twenty-five feet (25'). The front of a primary dwelling structure shall face the front of a similar structure across the street whenever feasible. It shall be the responsibility of the Committee to resolve any conflicts arising from this requirement and to make the final determination with regard to the orientation of the front facing of improvements upon any Lot. No building shall be located on any Lot nearer than fifteen feet (15') to any side Lot line adjacent to a street. Unless the building is to be located on more than one Lot, no building shall be located nearer than five feet (5') to an interior Lot line, except that a permitted accessory building located sixty feet (60') or more from the front Lot line may be a minimum distance of three feet (3') from an interior Lot line. For the purposes of this covenant or restriction, eaves, steps and unroofed terraces shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of the construction on a Lot to encroach upon another Lot. Rear or side driveway access to Block House Drive shall not be permitted. Notwithstanding the general guidelines herein set forth as to location of improvements upon the Lot, it is the intention of Declarant to establish the importance of locating the improvements with respect to preserving existing natural trees, vegetation and topography to the greatest extent possible and practical. The Committee shall be specifically empowered to require or to grant variances with respect to these guidelines in accord with the review procedures set forth herein, so long as the resulting location of the improvements will not encroach upon any other Lot, utility easement, or public right-of-way or result in any building being located closer than ten feet (10') from the primary dwelling structure on another Lot.

5.13 Composite Building Site. Any Owner of one or more adjoining Lots may consolidate such Lots into one single-family residence building site, with the privilege of placing or constructing improvements on such site by obtaining the prior written approval of the Committee. In cases of such consolidation of Lots, setback lines shall be measured from the two side Lot lines existing after consolidation, rather than from the Lot lines shown on the recorded plat. The Owner may not thereafter resubdivide the consolidated Lots without the prior written approval of the Committee.

5.14 Removal of Trees. It shall be the responsibility of the Owner and/or builder of the improvements on any Lot to take all reasonable measures to locate the improvements and conduct the construction of the improvements and landscaping of the Lot in such a way as to minimize damage to existing trees. No trees of any size or character shall be cut or removed except to provide room for

construction of improvements or to remove dead or diseased trees and then only following the obtaining of written approval for such cutting from the Committee, given in its sole discretion.

5.15 Sidewalks. The Owner of each Lot is hereby required to construct or cause to be constructed a concrete sidewalk in the public street right-of-way adjacent to such Lot in accordance with the specifications set forth below, in conjunction with and at the time of construction of the principal dwelling structure on such Lot. The sidewalk must be completed for each Lot prior to the completion of the principal dwelling structure on such Lot, and no such structure shall be occupied unless and until the adjacent sidewalk has been completed. The sidewalk shall be four feet (4') in width and with its edge closest to the street being parallel to and approximately five feet (5') toward the front Lot line from the street curb. Sidewalks shall be extended from Lot line to Lot line and shall follow the pattern of the incoming sidewalks (as proposed or built) on adjacent Lots. Placements of sidewalks in public rights-of-way around the terminus of cul-de-sac streets shall follow the pattern of the incoming sidewalk (as proposed or built) on adjacent Lots and shall be placed four feet (4') from the street curb line. The intent of this guide is to insure a continuous walk around the terminus. Owners of corner Lots shall install such a sidewalk parallel to the front Lot line and the side street Lot line. If not otherwise provided, the Owners of corner Lots shall extend sidewalks parallel to the front Lot line and side Lot line into the street to a terminus at the street curb in accord with all Federal, State, County and City regulations respecting construction and/or specifications, if any. It shall be the responsibility of the Owner to assess the effect of the above requirements with respect to possible removal of or damage to existing trees by construction of said sidewalks and to comply with the preceding section. The public utility easements provided along front and side Lot lines may be used for construction of the sidewalks, provided that the resulting proposed layout receives the prior approval of the Committee and any utility companies furnishing utility service through the easement. Each Owner shall be responsible for the maintenance and repair of the sidewalk adjacent to his Lot after construction.

5.16 Other Building Requirements and Restrictions. The Committee may, in conjunction with its review of Development Plans, apply other building requirements and restrictions, which the Committee, in its sole discretion, deems relevant to its purposes. The Committee may, but is not required to do so, promulgate and make available to Owners an outline of applicable building standards which shall constitute guidelines only and shall not be binding upon the Committee.

5.17 Landscaping Requirements. All front yards must be sodded with St. Augustine or Bermuda sod and contain at least two (2) trees. One tree must be of at least one and one-half inches (1.5") diameter measured three feet (3') above the ground level and must be chosen from the following: Red Oak, Live Oak, Redbud, River Birch, Ginkgo, Honey Locust, Bradford Pear, Golden Rain Tree, Pecan or Sycamore. The other tree must either comply with the specifications set forth in the foregoing sentence or be a minimum of eight feet (8') tall and chosen from the following: Crepe Myrtle, Deciduous Holly, Yaupon Holly (the foregoing three varieties must have a minimum of three trunks), Southern Crab Apple, Saucer Magnolia, Purple Leaf Plum or Loquat. All areas between fence and curb on corner lots must be sodded as aforesaid.

ARTICLE 6

Building and Use Restrictions

6.1 Residence, Buildings and Garages. No building or other structure shall be built, placed, constructed, reconstructed or altered on any Lot other than a single-family residence with appurtenances, and no structure shall be occupied or used until the exterior construction thereof is completed.

6.2 Single-Family Residential Use. Each Lot (including land and improvements) shall be used and occupied for single-family residential purposes only. No Owner or other occupant shall use or occupy his Lot, or permit the same or any part thereof to be used or occupied, for any purpose other than as a private single-family residence for the Owner or his tenant and their families. The term "family" as used herein shall mean a group of people related by blood or marriage. As used herein the term "single-family residential purposes" shall be deemed to prohibit specifically, but without limitation, the use of Lots for duplex apartments, garage apartments or other apartment use. No Lot shall be used or occupied for any business, commercial, trade or professional purpose either apart from or in connection with the use thereof as a private residence, whether for profit or not. This section 6.2 shall not prohibit the housing in the principal dwelling structure of full time servants employed by the Owner of the Lot. No rooms in the principal dwelling structure and no space in any other structure on any Lot shall be let or rented; provided, that this shall not preclude the principal dwelling structure from being leased or rented in its entirety as a single residence to one family or person.

6.3 Temporary and Other Structures. Portable buildings used for accessory or storage purposes may be permitted if they do not exceed 120 square feet of floor space and eight feet (8') in height and are in harmony with the other structures on the Lot. Such storage buildings shall be included in a Development Plan and shall be submitted to the Committee for approval. No other structure of a temporary character, no trailer, mobile, modular or prefabricated home, no tent, shack, barn or any other structure or building, other than the residence to be built thereon, shall be placed on any Lot, either temporarily or permanently, and no residence, garage or other structure appurtenant thereto shall be moved upon any Lot from another location; except, however, that Declarant reserves the exclusive right to erect, place and maintain, and to permit builders to erect, place and maintain, such facilities in and upon the Properties as in its sole discretion may be necessary or convenient during the period of and in connection with the sale of Lots, construction and selling of residences and constructing other improvements on the Properties. Such facilities may include, but shall not necessarily be limited to, a temporary office building, storage area, signs, portable toilet facilities and sales office. Declarant and builders shall also have the temporary right to use a residence situated on a Lot as a temporary office or model home during the period of and in connection with construction and sales operations on the Properties, but in no event shall a builder have such right for a period in excess of one (1) year from the date of substantial completion of his last residence on the Properties.

6.4 Nuisance. No noxious or offensive activity shall be carried on or permitted upon any Lot or upon the Common Properties, nor shall anything be done thereon which may be or become an

annoyance or nuisance to the neighborhood or to other Owners. No trucks larger than one ton, motor vehicles not currently licensed, boats, trailers, campers, motor or mobile homes or other vehicles shall be permitted to be parked on any Lot (except in a closed garage) or on any street (except passenger cars and trucks smaller than one ton may be parked on the street in front of the Lot for a period not to exceed twelve (12) hours in any twenty-four (24) hour period). No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway or other portion of the Common Properties. The use or discharge of firearms, firecrackers or other fireworks on the Properties is prohibited. No motor bikes, motorcycles, motor scooters, "go-carts" or other vehicles shall be permitted to be operated on the Properties if such operation, by reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance.

6.5 Signs. Except for signs, billboards or other advertising devices displayed by Declarant for so long as Declarant or any successors or assigns of Declarant to whom the rights of Declarant under this Section 6.5 are expressly transferred, shall own any portion of the Properties, no sign of any kind shall be displayed to the public view on any Lot or the Common Properties, except:

(a) each builder who has signed a contract to purchase at least one Lot from Declarant in the Subdivision and who has no sales office or model home in the Subdivision may place one identification sign in the Subdivision not to exceed eight (8) square feet of surface area; each builder who has signed a contract to purchase at least one Lot from Declarant in the Subdivision and who has a sales office and/or model home(s) in the Subdivision may place one identification sign at the sales office/model home complex not to exceed thirty-two (32) square feet of surface area. In addition, one sign not to exceed six (6) square feet of surface area may be displayed at each model home for the purpose of identifying that model;

(b) any Owner may display one (1) sign of not more than four (4) square feet on a Lot improved with a residential structure to advertise the Lot and residence for sale or rent; and, on the day and during the hours of any "open house" conducted in such residence on such Lot, one (1) sign of not more than four (4) square feet on which the words "Open House" are printed.

(c) signs required for legal proceedings; and

(d) permanent entrance signs for the Subdivision and a 16' x 24' directional and advertising sign on which each builder who has contracted to purchase at least ten (10) Lots within the Subdivision is represented, as well as standardized directional signs not to exceed four (4) square feet of surface area to direct visitors to model homes, to be designed, located and erected by Declarant, in Declarant's sole discretion and in Declarant's sole judgment.

All signs described in subsections (a) – (c) above must be set back from the curb line at least ten feet (10') and the bottom of each such sign must not be higher than two feet (2') above the ground level. Except as expressly allowed by this Section 6.5, no other form of signage or advertising, including banners or flags will be allowed in or adjacent to the Subdivision.

6.6 Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or on any portion of the Common Properties, except that dogs, cats or other common household pets (not to exceed two (2) adult animals) may be kept if not bred or kept for commercial purposes. Any such permitted household pets shall (i) be restrained from entering any other Lot than the Owner's, (ii) enter any street or sidewalk only when controlled on a leash, (iii) not be bred or kept for commercial purposes and (iv) not be allowed to create an annoyance of any kind (such as noise, odor or physical harm) to Owners in the Subdivision. Declarant, Williamson County or any other public agency having jurisdiction or an interest and any Owner affected by a violation of this section shall have the right to enforce this section.

6.7 Removal of Dirt. The digging of dirt or the removal of any dirt from any Lot, and the alteration of the grade of any Lot, is prohibited, except as necessary in conjunction with landscaping or construction of improvements thereon.

6.8 Garbage and Refuse Storage and Disposal. All Lots and the Common Properties shall at all times be kept in a healthful, sanitary and attractive condition. No Lot or any part of the Properties shall be used or maintained as a dumping grounds for garbage, trash, junk or other waste matter. All trash, garbage or waste matter shall be kept in adequate containers constructed of metal, plastic or masonry materials, with tightly-fitting lids, which shall be maintained in a clean and sanitary condition and screened from public view. No Lot shall be used for open storage of any materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected on any Lot 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 unreasonable delay, until completion of the improvements, after which these materials shall either be removed from the Lot, or stored in a suitable enclosure on the Lot. No garbage, trash, debris or other waste matter of any kind shall be burned on any Lot.

6.9 Access. No driveways or roadways may be constructed on any Lot to provide access to any adjoining Lot unless the express written consent of the Committee first shall have been obtained.

6.10 Utilities. Each residence situated on a Lot shall be connected to utility lines as soon as practicable after same are available at the Lot line.

6.11 Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. The preceding prohibition shall not prohibit bona fide archeological investigations with the prior written permission of Declarant or its assigns. Such bona fide archeological investigations shall provide an adequate plan for restoration of the excavated area.

6.12 Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to

construction of improvements thereon as herein permitted or permit the accumulation of garbage, trash or rubbish of any kind thereon and shall not burn anything (except by use of an incinerator and then only during such hours as permitted by law). The drying of clothes in full public view is prohibited and the Owners or occupants of any Lots where the rear yard or portion of the Lot is visible to full public view shall construct and maintain a suitable enclosure to screen the following from public view: the drying of clothes, yard equipment, refuse containers, wood piles or storage piles which are incident to the normal residential requirements of a typical family. In the event of default on the part of the Owner or occupant of any Lot in observing the above requirements, or any of them, such default continuing after ten (10) days' written notice thereof, Declarant or its successors and assigns may, at its option, without liability to the Owner or occupant in trespass or otherwise, enter upon said Lot and cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with this Declaration in order to place said Lot in a neat, attractive, healthful and sanitary condition, 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 such Lot to pay such statement immediately upon tender thereof. To secure the payment of such charges, a vendor's lien is herein reserved against the Lots in favor of Declarant, whether specifically mentioned in each deed or not, said lien to be inferior to any purchase money lien.

6.13 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant of any structures or other improvements necessary or convenient to the development, sale, operation or other disposition of the Properties.

6.14 Resubdivision. No Lot within the Subdivision shall be further subdivided or separated into smaller parcels by any Owner, and not less than all of such Lot shall be conveyed or transferred by any Owner. Minor lot line adjustments may be made by the Declarant so long as the total number of Lots within the subdivision does not increase.

6.15 Visual Obstructions. No object shall be placed, planted or permitted on any corner lot within the Subdivision or the street rights-of-way adjoining any such lot, within a triangular area, the apex of which is formed by the intersection of the streets running in front and at the side of such lot and the base of which is formed by a line running between such front and side street curb lines and intersecting such front and side street curb lines, respectively, at a point twenty-five feet (25') from the apex, if such object obstructs sight lines at elevations between two feet (2') and six feet (6') above the surface of the street.

ARTICLE 7

General Provisions

7.1 Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for an initial term commencing on

the effective date hereof and ending December 31, 2001. During such initial term the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than ninety-five percent (95%) of all Lots in the subdivision and properly recorded in the appropriate records of Williamson County, Texas. Upon the expiration of such initial term, said covenants and restrictions (as changed, if changed), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten-year periods, the covenants and restrictions of this Declaration may be changed or terminated only by an instrument signed by the then Owners of not less than seventy-five percent (75%) of all the Lots in the Subdivision and properly recorded in the appropriate records of Williamson County, Texas.

7.2 Enforcement. The Committee, Declarant, any public agency having jurisdiction or an interest herein, any Owner, any owner of property in Block House and/or any association or organization of Owners and/or owners of property in Block House shall have the right to enforce, by proceedings at law or in equity, all restrictions, covenants, conditions, reservations, liens, charges, assessments and all other provisions set out in this Declaration. Failure of the Committee, Declarant, any public agency, any Owner, any owner of property in Block House or any association or group of Owners and/or owners of property in Block House to take any action upon any breach or default of or in respect to any of the foregoing shall not be deemed a waiver of their right to take enforcement action upon any subsequent breach or default. Reasonable attorney's fees shall be allowed to any party prevailing in any action in any court of competent jurisdiction to enforce any of the provisions of this Declaration.

7.3 Amendments by Declarant. Declarant shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or affect the vested property or other rights of any Owner or his mortgagee.

7.4 Maintenance of Parks and Recreational Facilities. In the event that the Blockhouse Municipal Utility District ("District"), its assigns or any other governmental entity at anytime in the future, ceases or elects not to maintain or to operate the parks and recreational facilities currently maintained by the District on District property adjacent to the Subdivision, a petition favoring the formation of a homeowner's association may be filed in the deed records of Williamson County, Texas, signed by the Owners each of at least fifty-one percent (51%) of all of the lots in Block House, the Subdivision and any future additional recorded subdivisions included at the time of the recording of the petition in the same scheme of development described in Section 3.2 hereof.

Upon the recordation of such a petition having the requisite number of signatures, a homeowner's association ("Association") will be deemed to have been created and the Owners of all of the Lots covered by this Declaration and the Owners of all lots covered by the similar declarations pertaining to those other subdivisions included in the said same scheme of development (and with petition(s) having the requisite number of signatures) shall be members thereof. Each Lot covered by the Association shall

be entitled to one vote, and the Association shall elect such officers and directors and adopt such rules and regulations as it shall deem appropriate by majority vote of the members.

The Association shall be entitled to levy an annual assessment against each lot which is subject to the Association for the purpose of maintaining, operating and repairing parks, landscaping and recreational facilities as long as similarly situated lots in those other subdivisions whose lot owners are members of the Association are also subject to the same annual assessment. Each of the Owners promise and agree to pay such assessment when due and further agree that if not paid, such assessment, together with interest thereon at the highest rate allowed by law, the costs of collection and reasonable attorney's fees shall be a continuing lien against such Lot until paid. The Association, by action of its board of directors, may foreclose such lien through judicial proceedings. The aforesaid lien shall be superior to all other liens and charges against the said Lot, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed for the acquisition or improvement of the Lot in question.

7.5 Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

7.6 Omissions. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other word, clause, sentence or provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

7.7 Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Owner on the records of the County Clerk of Williamson County, Texas, at the time of such mailing.

7.8 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, males or females, shall in all cases be assumed as though in each case fully expressed.

7.9 Severability. Invalidation of any one or more of the covenants, restrictions, conditions or provisions contained in this Declaration, or any part hereof, shall in no manner affect any of the other covenants, restrictions, conditions or provisions hereof, which shall remain in full force and effect.

ARTICLE 8

Ratification: Lienholder

Texas Commerce Bank-Austin, National Association, the owner and holder of a lien covering all of the Properties, has additionally executed this Declaration in its capacity as mortgagee to evidence its

joinder in, consent to and ratification of the imposition of the foregoing covenants, conditions and restrictions.

IN WITNESS WHEREOF, the undersigned have executed this Declaration to be effective this the 9th day of September, 1986.

DECLARANT:

BLOCK HOUSE VENTURE, a Texas joint venture

By: Block House Associated, Ltd., a Texas limited partnership, Managing Venturer

By: Ed Wendler, Jr. Development Corporation, a Texas corporation, Administrator

By: Block House Development Corporation, a Texas corporation, Venturer

MORTGAGEE:

TEXAS COMMERCE BANK-AUSTIN, NATIONAL ASSOCIATION

EXHIBIT A

All of the Settlement at Block House Creek, Section One (1), a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet D, Slides 273-275, Plat Records of Williamson County, Texas.

All of the Settlement at Block House Creek-Section 2, a subdivision in Williamson County, Texas, according to the map or plat thereof recorded in Cabinet E, Slides 355-357, Plat Records of Williamson County, Texas.

All of the Settlement at Block House Creek, Section 3, as recorded in Cabinet F, Slide 189, Plat Records of Williamson County, Texas.

All of the Settlement at Block House Creek, Section 4, as recorded in Cabinet G, Slides 205-206, Plat Records of Williamson County, Texas.

All of Block House Creek, Phase "D," Section 607, as recorded in Cabinet H, Slides 36-39, Plat Records of Williamson County, Texas.

All of Block House Creek, Phase "D," Section 608, as recorded in Cabinet H, Slides 106-109, Plat Records of Williamson County, Texas.

All of Block House Creek, Phase "E," Section 501, as recorded in Cabinet H, Slides 239-241, Plat Records of Williamson County, Texas.

All of Block House Creek, Phase "E," Section 504, as recorded in Cabinet H, Slides 242-245, Plat Records of Williamson County, Texas.

All of Block House Creek, Phase "E," Section 610, as recorded in Cabinet H, Slides 176-178, Plat Records of Williamson County, Texas.

All of Block House Creek, Phase "E," Section 614, as recorded in Cabinet H, Slides 269-271, Plat Records of Williamson County, Texas.