ORIGINAL/FILED AUG. 1999

DECLARATION OF COVENANTS, RESTRICTIONS AND MAINTENANCE AGREEMENTS

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GILLESPIE §

WHEREAS, DIZDAR DEVELOPMENT LTD., a Texas limited partnership, (the "Declarant") is the owner of the real property described in Exhibit "A" attached hereto (the Property");

WHEREAS, Declarant has constructed a private road (the "Road") through the Property and now desires to sell off portions of the Property in smaller parcels (the "Parcels") to several interested purchasers;

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WHEREAS, Declarant desires to subject all of the Property to the easements, protective covenants, restrictions and maintenance agreements set forth herein;

NOW, THEREFORE, it is hereby declared that the Property shall henceforth be held, sold and conveyed subject to the following easements, restrictions, covenants and agreements, which are intended for the purpose of protecting the value and desirability of, and which shall run with, the Property and shall be binding on all parties now or hereafter owning an interest in any part of the Property, and their heirs, successors and assigns, and which easements, restrictions, covenants and conditions shall inure to the benefit of each owner thereof:

1. Road Easement. Attached hereto as Exhibit "B" is a metes and bounds description of the Road through the Property. Declarant hereby dedicates the Road for the common use of all owners (the "Owners") of any part of the Property and does hereby grant to all such Owners, their heirs, successors and assigns and their agents, invitees and permittees a perpetual non-exclusive ingress and egress easement over and across the Road for uninterrupted access to and from that portion of the Property owned by each Owner.

2. Spring Creek Estates Homeowners' Association, Inc. and Covenants for Maintenance Assessments.

   A. Membership and Voting. Declarant will cause to be incorporated the Spring Creek Estates Homeowners' Association, Inc. ("Association") and will delegate and assign to the Association all the rights, powers, obligations and duties of Declarant under this Declaration of Covenants, Restrictions and Maintenance Agreements. Every Owner of a Parcel within the Property shall be a member of the Association,

   B. The Association shall have two classes of voting membership.

      (i) Class A - Class A members shall be all the Owners of Parcels with the exception of Declarant. Each Class A member shall be entitled to one vote for each acre, or portion of an acre, the Owner owns out of the

Property. When more than one person owns an interest in any parcel, all such persons shall be members.

(ii) Class B - Declarant shall be the sole Class B member. For each acre, or portion of an acre owned by Declarant out of the Property, Declarant shall be entitled to two votes on any matter coming before the members at any meeting or otherwise.

C. Each Owner, by acceptance of a Deed, whether or not it shall be so expressed in such Deed, is deemed to agree to pay to the Association his prorata share of all regular assessments and all other Association dues, fees, fines, assessments or charges of any kind, which may be established and collected as hereinafter provided.

D. The assessments, together with interest, cost and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon each Parcel. Each such assessment, together with interest, cost and reasonable attorney's fees shall also be the personal obligation of the Owner of such Parcel at the time when the assessment is due. This personal obligation to pay any assessment shall not pass to any successors or assigns in title unless assumed by them.

3. Purpose of Assessment. The assessments levied by the Association shall be used to maintain, repair, and replace the Road and the electronically controlled access gate (the "gate") located at the entrance of the Property and to promote the health, safety and welfare of the Owners as a group. These expenses may include but shall not necessarily be limited to construction, repair or replacement of the roads, security gates and entry, costs of professional and other outside services, and labor, equipment, materials, and outside management and supervision necessary to carry out its authorized function, including the enforcement of these restrictions, covenants and agreements of the Declaration.

The Board of Directors of the Association shall prepare annually a maintenance budget for the ensuing calendar year and determine each owner's proportionate share of the maintenance budget. The annual assessment of each Owner shall be determined by multiplying the annual maintenance budget by a fraction resulting from the number of acres owned by each Owner divided by the total number of acres within the boundaries of the Property.

The annual assessment shall be payable in a lump sum, or in semi-annual payments as shall be determined by the Board of Directors. For billing purposes, the semi-annual assessment period will be the first day of each January and July. All assessments are payable upon receipt of written notice of the assessment.

4. Affect of Non-Payment of Assessments and Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest legal rate permitted by law to be charged to the nonpaying Owner, or if there is no highest legal rate, then at 10% per annum. The Association

may bring an action at law against the Owner personally obligated to pay the same and foreclose the lien against such Owner's Parcel, together with interest at the highest lawful rate and reasonable attorney's fees, if applicable. In addition, the defaulting Owner's right to use the Road may be suspended by the Board of Directors until such annual assessment, plus any accrued interest and attorney's fees thereon, are paid in full.

5. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage against a Parcel. The sale or transfer of any Parcel shall not affect the assessment lien. However, the sale or transfer of the Parcel pursuant to a mortgage foreclosure shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Parcel from liability for any assessments thereafter becoming due or from the lien thereof.

6. Building Restrictions.

a. No more than one single family dwelling, containing no less than 1400 square feet of living area, exclusive of porches, breezeways, carports or basements, may be erected on any Parcel. An Owner may also construct one or more guest homes and other related improvements on a Parcel, so long as such improvements are for the personal use of the Owner and guests or invitees of the Owner.

b. All residences shall be newly constructed. No second hand or used homes shall be moved on to the Property. An Owner shall be entitled, however, to incorporate historical and other previously used building materials and fixtures into a newly constructed residence.

c. The exterior of any residence shall be completed not later than ten (10) months after laying the foundation for such residence.

d. A residence shall not be occupied until the exterior thereof shall be completely finished and connected to a septic tank or other waste disposal system approved by the County and/or State Health Department or other governing body controlling wells and septic tanks.

e. No mobile or modular home or other temporary structure shall be used as a residence on any Parcel. Recreational vehicles may be stored and kept upon the Property provided they are situated out of sight and to the rear of the principal residence.

f. All perimeter fences erected on any Parcel shall be of constructed from new material and shall be completed and maintained in a good and workmanlike manner, regarding quality and appearance.

g. No Owner shall sell or subdivide any part of the Property into one or more smaller tracts, if either the real property to be conveyed or the property retained