

DECLARATION OF COVENANTS AND RESTRICTIONS

THE STATE OF TEXAS
COUNTY OF WHARTON

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This Declaration of Covenants and Restrictions (the "Declaration") is made by Colt Rand and Land Partners I, L.P., a Texas limited partnership ("Declarant"), and is as follows:

RECITALS

A. Declarant is the owner of the property located in Wharton County, Texas, legally described on Exhibit "A" attached hereto, and containing approximately 1250 acres of land (the "Property").

B. Declarant intends to subdivide the Property into separate tracts of land, including one or more recorded subdivisions within individual platted lots (each such tract, whether part of a recorded subdivision or not, being referred to herein as a "Lot", and collectively, the "Lots").

C. Declarant desires to impose certain covenants and restrictions on the Property as herein set forth.

NOW, THEREFORE, it is hereby declared that all of the Property shall be held, sold, conveyed and occupied subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and shall be binding on all parties having any right, title or interest in or to the Property or any part thereof, their heirs, successors and assigns, and shall inure, to the benefit of each owner thereof, and that each contract or deed which may hereafter be executed with regard to the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to the following covenants, conditions and restrictions regardless of whether or not the same are set out or referred to in said contract or deed.

ARTICLE ONE POWER IN DECLARANT

1.01 Adding and Removing Property Owned by Declarant. Declarant shall at all times have the right to add to or remove from the provisions of this Declaration real property, or to plat or replat the boundaries or dimensions of any Lot or other property owned by Declarant, and may increase or decrease or change the size, shape, or dimensions of any Lot or other Property owned by Declarant.

1.02 Development by Declarant. Declarant may divide or subdivide the Property into several areas, develop some of the Property, and, at Declarant's option, sell any portion of the Property free of these restrictions.

ARTICLE TWO LAND USE CLASSIFICATIONS PERMITTED USES AND RESTRICTIONS

2.01 General Restriction. No Lots shall be used for any commercial, industrial, or business purposes. Ancillary commercial activity incidental to another non-prohibited use to which the general public is not invited, which is not visible from adjacent Lots or the adjacent street, and which does not produce traffic of more than five (5) cars per day shall not be considered business purposes.

2.02 Minimum Floor Area. Any structure designed for occupancy on a Lot must have a totally heated and air conditioned floor area of not less than one thousand (1,000) square feet. No single-wide mobile home, manufactured home, or home with a width of sixteen (16) feet or less shall be located on a Lot for any purposes. Any buildings or structures to be constructed on a Lot shall be new construction. Any structure that does not sit flush on the ground or a solid foundation shall be screened and/or skirted so that the area between such structure and the ground or foundation is not visible. Such screening and/or skirting shall be done within ninety (90) days from placement on the property. Temporary housing shall be permitted only during active construction of permanent housing and only for a continuous time period of one (1) year from commencement. Any extension of permission for temporary housing shall be at the sole discretion of the developer. All temporary housing must be able to self contain sewage effluent or be connected to a TCEQ approved OSSF. No sewage effluent shall be permitted to escape containment on the property.

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2.03 Setbacks. There shall not be placed on a Lot any building or structure nearer than thirty five (35) feet from the property line adjacent to a street, road, or common driveway, or within fifteen (15) feet from the property line of any abutting Lot. Eaves, steps, sidewalks, and driveways shall not be considered as a part of the structure; provided, however, that this shall not be construed to permit any portion of any building on a Lot to encroach upon another Lot. The preceding setback limitations shall not operate to prohibit or require removal of any buildings or structures existing on the date hereof and which are within such setback lines in whole or part.

2.04 Noxious or Offensive Activities Prohibited. None of the Property shall be used for any noxious activity and nothing shall be done or permitted to be done on any of said Property which is a nuisance or might become a nuisance to the Owner or Owners of any of such said Property. Nuisance means any type of conduct, action and non-action which has been declared by statute or ordinance to be a nuisance or any conduct, action, or non-action when taken together is of such concentration and of such duration as may tend to be injurious to, or to interfere with, or to adversely affect human health or the health of wildlife or the reasonable use and enjoyment of the Property.

2.05 Declarant Rights. Notwithstanding anything herein to the contrary, Declarant may allow such structures and facilities as Declarant desires for itself for constructing, selling and improving Lots and the Property, including sales and construction offices and trailers, storage areas, signs, parking areas, portable toilets, portable buildings or sheds, fencing and other items which would make such work more convenient.

2.06 Signs. No signs of any character shall be allowed on any Lot except one (1) sign of not more than five (5) square feet advertising the property for sale or rent. Declarant and any other person or entity engaged in the construction and sale of Lots shall have the right, during the construction and sales period, to construct and maintain signs related to such sales and construction.

2.07 Oil Development Prohibited. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot. No derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

2.08 Rubbish, Trash and Garbage. No Lot shall be used or maintained as a dumping ground for rubbish or trash, and no garbage or other waste shall be kept except in sanitary containers of the standard type. In no event shall such containers be maintained so as to be visible from neighboring property, except to make the same available for collection on collection days. All equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition.

2.09 Animals. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels, veterinary, or breeding operation will be allowed within the Property. All animals shall be contained within the Lot lines by fence. No animal shall be allowed to make an unreasonable amount of noise, to disturb native wildlife, or to become a nuisance.

2.10 Fences, Driveways. No fences shall exceed ten (10) feet in height. All driveways must incorporate a culvert in their design and construction where they cross a drainage ditch.

2.11 Vehicles. No abandoned or inoperable vehicle, or vehicle without a current inspection sticker, registration, or license plates, shall be permitted to remain on any Lot or in front of any Lot, except in an enclosed structure so as to be completely screened from view of the street and adjacent properties. For purposes of this section, an inoperable vehicle is any motor vehicle which for a period of time in excess of seventy-two (72) consecutive hours: (a) has no license plates or has license plates which have been expired for more than sixty (60) days; or (b) has no motor vehicle safety inspection sticker or has a motor vehicle safety inspection sticker which has been expired for more than sixty (60) days; or (c) cannot be started, driven, operated, steered and stopped, legally under the laws of the State of Texas in a public right-of-way, under its own power and without causing damage to the vehicle, because of mechanical failure, breakdown, or because it has been wrecked, dismantled, or partially dismantled. Parking of all vehicles shall be restricted to driveways, garages, and paved areas within a Lot.

2.12 Maintenance of Lawns and Plantings. Each owner shall keep all shrubs, trees, grass and plantings of every kind on his Lot, including setback areas, planted areas between adjacent sidewalks and street curb, if any, and any other area located between the boundary line of his Lot and the street or other property (public or private) on which such owner's Lot abuts, neatly trimmed, properly cultivated, and free of trash, weeds and other unsightly material.

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2.13 Restriction on Further Subdivision. No Lot may be further subdivided into two (2) or more smaller lots or parcels. Notwithstanding the foregoing, Lot lines and easements may be altered in the event an owner of two (2) adjacent Lots wishes to dissolve a Lot line in order to increase the size of the building area. Any alterations of Lot lines or easement boundaries must comply with state and local rules and regulations.

2.14 Repair of Structures. All improvements and structures upon any of the Property shall at all times be kept in good condition and repair and adequately painted or otherwise maintained by the owner thereof.

2.15 Firearms. No hunting with a firearm will be allowed.

2.16 Drainage. Each owner of a Lot agrees for himself, his heirs, legal representatives, assigns or successors-in-interest that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots; and he will make adequate provisions for the drainage of his Lot in the event it becomes necessary to change the established drainage over his Lot. For the purposes hereof, "established drainage" is defined as the drainage which existed at the time that the Property was acquired by Declarant.

2.17 Declarant's Exemption. Nothing contained herein shall be construed to prevent the erection or maintenance by Declarant or its duly authorized agents of structures, improvements, or signs necessary or convenient to the development, identification, or sale of property.

2.18 Control of Sewage Effluent. All wastewater facilities and equipment must comply with all state and local health laws and regulations, and septic tanks must be installed in accordance with standards approved by Wharton County, Texas, the Texas Commission on Environmental Quality, and any other applicable governmental entity. No outside toilets will be permitted, and no installation of any type of device for disposal of sewage shall be allowed which would result in raw or untreated or unsanitary sewage being carried in the streets, adjacent Lots, or into any body of water.

2.19 Water Wells, Water Systems, and Butane and Propane Fuel Tanks. A Lot owner shall have the right to dig and maintain one (1) water well on his Lot. No water well, water system, butane tank, propane tank or fuel storage tank may be kept or located on any Lot unless housed within a permanent structure or completely screened from view by trees or topography from any point outside the Lot. No unsightly or unsanitary water well, water system, butane tank, propane tank, fuel storage tank, structure or condition of any nature will be permitted on any Lot.

ARTICLE THREE GENERAL PROVISIONS

3.01 Enforcement. Declarant or any owner of a Lot, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, now or hereafter imposed by the provisions of this Declaration. Failure by any person to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

3.02 Term. This Declaration, including all of the covenants, conditions and restrictions hereof, shall run until December 31, 2055, unless amended as herein provided. After December 31, 2055, this Declaration, including all such covenants, conditions and restrictions, shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least three-fourths (3/4ths) of the acreage contained within the Property then subject to this Declaration, provided all signatures thereon shall be dated and no signature may be dated more than ninety (90) days after the earliest dated signature on such instrument.

3.03 Amendment. This Declaration may be amended by the Declarant so long as Declarant owns any of the Property. No amendment by Declarant shall be effective until there has been recorded in the official public records of Wharton County, Texas an instrument executed and acknowledged by Declarant and setting forth the amendment. This Declaration may be amended by the Lot owners by recording in the official public records of Wharton County, Texas an instrument setting forth the amendment and executed and acknowledged by the owners of two-thirds (2/3rds) of the acreage within the Property, provided all signatures thereon shall be dated and no signature may be dated more than ninety (90) days after the earliest dated signature on such instrument.

3.04 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate the purposes of creating a uniform plan for the development and operation of the Property. This Declaration shall be construed and governed under the laws of the State of Texas.

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3.05 Exemption of Declarant. Notwithstanding any provision in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Association. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Property.

3.06 Assignment of Declarant. Notwithstanding any provision in this Declaration to the contrary, Declarant may assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any other person or entity and may permit the participation, in whole or in part, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

3.07 Construction. The provisions of these Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any of the paragraphs, sections or articles hereof.

3.08 Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any of the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

3.09 Remedies Cumulative. Each remedy provided by this Declaration is cumulative and not exclusive.

3.10 The Declaration. By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself, itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property.

3.11 Effect of Violations on Mortgagees. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record, or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust and any such mortgage, lien, or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

3.12 Character of Declaration. This Declaration is not a conveyance of an interest in real property to the public or any governmental body. The covenants, conditions, declarations, rights, and privileges herein granted shall be perpetual.

3.13 Obligations Run With the Land. The obligations created in this Declaration run with the land described as the "Property" defined above.

EXECUTED on this the 1 day of September 2016.

DECLARANT:

Colt Ranch and Land Partners I, L.P., a Texas limited partnership

By: Sandstone Coffey GP, LLC, a Texas limited liability company, its general partner

By: 
Tim Coffey, Manager

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