

DECLARATION OF COVENANTS, CONDITIONS
AND
RESTRICTIONS OF OAK RIDGE RANCH SECTION I
(COLORADO COUNTY, TEXAS)

WHEREAS, Sabine Investment Company of Texas, Inc. ("Developer") is the owner and developer of Oak Ridge Ranch, Section I, located in Colorado County, Texas (the "Subdivision") according to the Plat executed by Sabine Investment Company of Texas, Inc., which Plat was filed in ~~Volume~~ Slide Page 74, in the Plat Records of Colorado County, Texas; and

WHEREAS, it is desirable and advisable for the benefit of the public in general and persons purchasing tracts in the Subdivision to place restrictions and conditions thereon designating and describing the manner and for what purposes tracts in the Subdivision may be used, which purposes are to be effectuated by this Declaration of Covenants, Conditions and Restrictions (the "Restrictions");

NOW, THEREFORE, Developer hereby establishes the following reservations, conditions and restrictions of the Subdivision to be covenants running with the land, binding upon and to inure to the use and benefit of itself, its successors and assigns and to purchasers of tracts in the Subdivision, and, as herein provided, and in accordance with the provisions hereof, for the use and benefit of purchasers of tracts in adjoining property which has been, or may be, developed and sold by Developer and made a part of the Subdivision:

1. LAND USE

No tract shall be used for business or commercial purposes.

2. BUILDING LOCATION

All site built homes, mobile homes, motor homes, recreational vehicles, campers, cabins, tents and any other residential units shall be located no less than fifty feet (50') from the front property line of any tract.

Each tract including any and all improvements on the tract shall be maintained in a clean, neat and attractive condition. No garbage, trash, unlicensed vehicles or rubbish of any kind shall be allowed or permitted to accumulate on any tract. All personal property shall be located behind the residence and generally out of sight from the road.

3. LIVESTOCK AND POULTRY

Animals, livestock, emu, ostrich, hogs or poultry may be kept, bred, and maintained on any tract under the following conditions:

- a. No livestock of any type shall be allowed to run loose upon the streets or common areas as shown on the Plat.
- b. All horses, cattle or other livestock or animals shall be kept enclosed on the tract by suitable fencing.
- c. No swine may be bred, kept or maintained on any tract in this Subdivision, except one (1) per tract owned for personal consumption and or show competition.
- d. No chickens, turkeys or other poultry may be kept or raised in this project, except five (5) per acre owned for personal consumption and or show competition.
- e. Horses are permitted in the Subdivision, but public stables are not permitted.
- f. Cattle are permitted in the Subdivision, but feed lots are not permitted.
- g. Each tract shall be maintained in such a manner as to prevent health hazards and shall not be offensive to the neighboring tracts.

4. GARBAGE AND REFUSE DISPOSAL

All tracts in the subdivision shall be maintained in a clean, neat and attractive condition. No tract shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall not be kept except in sanitary containers. Each tract owner shall be responsible for disposing of all of his trash, garbage and rubbish in a sanitary manner and in a location provided for that purpose by a local governmental authority. All tract owners shall provide for the disposal of waste material through a septic system approved by the appropriate governmental authority.

No tract shall be used as a storage or salvage yard. No abandoned or inoperative automobile, other vehicle or trailer shall be permitted to remain on any tract. Personal campers, boats, tractors, trailers, recreational vehicles, etc., in good and usable condition may be kept on the Property.

5. NUISANCES

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

6. RESUBDIVISION.

No tract in the Subdivision may be further subdivided in a manner that creates a tract that is less than 20 acres. No tract in the subdivision may be further subdivided unless there are no liens on the tract.

7. DRIVEWAYS.

Driveways shall be constructed of all weather materials over a minimum eighteen inches (18") culvert in the road ditch.

8. EASEMENTS

Developer, for and on behalf of itself and the Association, reserves easements for the installation and maintenance of any and all utilities and drainage facilities as shown on the Plat. The easements are for the purpose of installing, using and maintaining public utilities. The easements are for the general benefit of the Subdivision and the property owners and are reserved and created in favor of all utility companies serving the Subdivision. Furthermore, Developer for itself and the Association, reserves an easement over and across all parkways, roads and common areas shown on the plat. The access easements shown on the Plat are for the exclusive use of the Developer and the Association.

9. RECREATIONAL FACILITIES.

Developer or the Association, shall have the right, but not the obligation, to construct and operate legitimate recreational facilities upon the areas designated as parkways on the Plat, or upon any lot which Developer, at its sole discretion, determines would be suitable for such facilities.

10. RECREATIONAL VEHICLES.

No all terrain vehicles, (i.e. three wheelers, four wheelers, motorcycles, etc.) shall be allowed on the roads in the Subdivision from October through January 15 each year.

11. OAK RIDGE IMPROVEMENT ASSOCIATION

- (a) Membership of Association. Each and every owner of a tract (under a Contract for Deed or a Deed) in the Subdivision shall be a member of the Oak Ridge Improvement Association (the "Association"). The Association may be a non-profit corporation or an unincorporated association.
- (b) Voting Rights. Each member shall be entitled to one (1) vote for each tract in which they hold the interest required for membership. When more than one (1)

person holds such interest or interests in any tract, all such persons shall be members, and the vote for such tract shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any tract.

- (c) Notice and Voting Requirements. Any and all elections of the Association shall be governed by the following rules:
 - (1) Written notice of any election shall be given to all members by certified mail return receipt required at least fourteen (14) days prior to the date of such election.
 - (2) Votes shall be by written ballot and the ballot shall be retained for at least one year after the election.
 - (3) Any election shall be determined by a simple majority of the votes cast in such election.

12. IMPROVEMENT COMMITTEE

- (a) Formation. The Improvement Committee (the "Improvement Committee") shall be the governing body of the Association. The Improvement Committee shall be composed initially of Jim Brasse, Elmo Taylor and Gene Foy.
- (b) Election. After ten percent (10%) of the tracts in the Subdivision have been conveyed by Contract for Deed or Deed, the initial members of the Committee shall arrange for an election of the members to elect three members of the Association to replace them on the Improvement Committee. The election shall be in accordance with Section 11 hereof.
- (c) Powers and Functions. The Improvement Committee shall have the following powers and functions:
 - (1) Hold elections pursuant to Section 11 hereof.
 - (2) Collect and expend, in the interest of the Subdivision, the Maintenance and Recreation Fund as voted by the Association.
 - (3) Enforce these covenants and restrictions by appropriate proceedings (but this power shall not be exclusive and may also be exercised by any tract owner in the Subdivision).

- (4) Maintain the common road in the Subdivision in a smooth, passable condition, free from obstructions.
- (5) Maintain any and all Recreational Facilities constructed by the Association or Developer for the benefit of all property owners in the Subdivision.

13. MAINTENANCE AND RECREATION FUND

- (a) Annual Assessments. Each owner of any tract by acceptance of a Deed or Contract for Deed thereto, whether or not it shall be so expressed in a Deed or other conveyance, is deemed to covenant and agree to pay the Association the annual assessments which shall hereafter from time to time be fixed, established and collected by the Committee. The initial annual assessment for Section I only shall be NINETY-SIX AND NO/100 DOLLARS (\$96.00). The annual assessment may not be increased by more than ten percent (10%) per year without the approval of a majority of the Association. Developer is not hereby obligated to pay such assessments, but may elect to do so. The annual assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the land affected thereby and shall be secured by a continuing lien which is hereby reserved in favor of the Association upon each tract against which each such assessment is made, to the same extent as if retained by Developer and expressly assigned to the Association. Each such annual assessment shall also be the personal obligation of the person who was the owner of the tract at the time when each such assessment became due and payable.
- (b) Purpose of Assessments. The annual assessments levied by the Improvement Committee shall be used exclusively for the purpose of creating a fund for the improvement and maintenance of the Subdivision (the "Maintenance and Recreation Fund"). The Improvement Committee shall use the Maintenance and Recreation Fund for expenses incurred for any of the following reasons: maintenance of the private road and operation and maintenance of recreational facilities. The Improvement Committee's decisions shall be final as to the use of the Maintenance and Recreation Fund and the members of the Improvement Committee shall be free from liability for actions within the Improvement Committee's function, unless gross negligence is proven.

If a property owner shall individually cause damage to the private road, the damage shall be repaired at the sole cost and expense of the responsible property owner.
- (c) Date of Commencement. The annual assessment shall commence on June 1, 1996 and shall be payable annually on the first day of each June in advance.

- (d) Effect of Nonpayment. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date due at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the owner personally obligated to pay or foreclose the lien against the tract and interest, costs and reasonable attorney's fees for any action shall be added to the amount of such assessment.
- (e) Term. Such assessments shall continue during the term of the Restrictions.

14. TERM

These covenants and restrictions shall run with the land, and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded with the County Clerk of Colorado County, Texas, after which time such covenants shall be extended automatically for successive periods of ten (10) years, unless an instrument signed by the majority of the then owners of the tracts has been recorded, agreeing to change such covenants in whole or in part or to revoke them.

15. ADDITIONS TO EXISTING PROPERTY.

The Developer may add or annex additional tracts or sections from time to time and at anytime to the scheme of these Restrictions by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions which shall extend the scheme of the Covenants, Conditions and Restrictions of this Declaration to such property.

16. ENFORCEMENT

Enforcement of these covenants and restrictions may be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant or restriction either to restrain such violation or proposed violation or to recover damages. Such enforcement may be by the owner of any tract in the Subdivision, by the Developer or by the Improvement Committee. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

17. SEVERABILITY

Invalidation of any one of these covenants or restrictions by judgments or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

EXECUTED on this 21 day of March, 1996.

SABINE INVESTMENT COMPANY OF TEXAS, INC.

By: [Signature]
James E. Brasse, President

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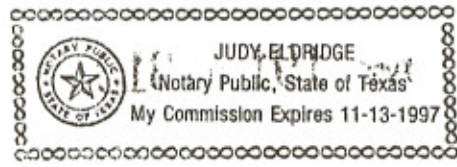
NOTARY PUBLIC
STATE OF TEXAS



THE STATE OF TEXAS §
COUNTY OF ANGELINA §

This instrument was acknowledged before me on this 21st day of March 1996, by James E. Brasse, President, SABINE INVESTMENT COMPANY OF TEXAS, INC., a Texas corporation, on behalf of said corporation.

[Signature]
Notary Public, State of Texas



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