DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

SECTION 1. "Association" shall mean and refer to the 187.052 Acres Property Owners Association, and its successors and assigns as defined and permitted in Section 15 below.

SECTION 2. Not Applicable.

SECTION 3. "Developer" shall mean and refer to JKO,LTD., and its assigns and successors.

SECTION 4. Any dwelling constructed on subject property must have a one story of not less than 1,500 square feet and two story of not less than 1,900 square feet of at least standard frame construction. All Dwellings, detached garages, work shop, and barns must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the Lot. The term "Dwelling" does not include single or double wide mobile or manufactured homes, or any old or used houses to be moved on the Lot and said manufactured and used homes are not permitted within the Subdivision. There will be no mobile or prefabricated homes allowed. Any building, structure or improvement commenced on any tract shall be completed as to exterior finish and appearance within twelve (12) months from the commencement date. The definition of a mobile or prefabricated home will be left to the discretion of the developer until 100% of the tracts have been sold, or the Homeowners Association pursuant to Section 15 below. A Tract Owner may also build a guest home with no less than 1,000 square feet, subject to the restrictions enumerated herein.

SECTION 5. All buildings shall be single-family dwellings.

SECTION 6. No structure of a permanent nature or character, whether trailer, basement, tent, shack, shed, garage, storage building, or other outbuilding, shall be maintained or used on any tract at any time as a residence.

SECTION 7. All automobiles and/or other motor vehicles used on the property must have current license, insurance and registration. No abandoned or inoperative automobile, other vehicle or trailer shall be permitted to remain on or in front of subject property. Personal campers, boats, tractors, trailers, recreational vehicles, etc. will be permitted provided they have a current license, insurance and registration and be hidden from street view and from the view of adjoining properties, but shall not be used as a temporary or permanent dwelling or residence. See Section 6 above for the definition of word "temporary".

SECTION 8. All building, including but not limited to, one-family dwellings, garages, and barns shall be located no closer than one hundred (100) feet from the front property line and shall be no closer than twenty (20) feet from the side property lines and no closer than twenty (20) feet from the rear property lines. Also, for these purposes, porches, stoops, bays and covered areas are considered part of the building.

SECTION 9. Subject property shall not be used or maintained as a dumping ground for rubbish or trash. No garbage or other waste shall be kept, except in sanitary containers. All other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition.

Exhibit B

SECTION 10. Animals, livestock, emu's and ostrich, other than hogs or poultry, may be kept, bred, and maintained on subject property under the following conditions:

- A. No livestock of any type shall be allowed to run loose except upon one's own premises.
- B. All horses, cattle or other livestock shall be kept enclosed by suitable fencing of subject property.
- C. No swine allowed. Except for 4-H or FFA school sponsored programs for permanent residents only.
- D. No chickens, turkeys or other poultry may be kept or raised on subject property except for personal consumption and/or pets subject to other pertinent convenants set forth herein, or for 4-H or FFA school sponsored programs.
- E. Though cattle are permitted, feed lots are not permitted.
- F. The premises shall be maintained in such a manner as to prevent health hazards and shall not be offensive to the neighboring tracts.

SECTION 11. No commercial activity other than that of permitted livestock shall be conducted on any tract. Agricultural and Aqua cultural activities are permitted so long as such activity is in compliance with Section 10, above.

SECTION 12. Any owner of a property subject to these restrictions shall provide for the disposal of waste material through a septic system approved by the appropriate governmental authority.

SECTION 13. No privy, cesspool or outdoor toilets shall be placed or maintained on any part of the property and all indoor toilets and baths shall be installed and connected to a septic tank or sanitary sewer which must be approved by all state, county or city health authorities having jurisdiction. The drainage of septic tanks into road ditches, either directly or indirectly, is strictly prohibited.

SECTION 14. No sign, advertisements, billboards or advertising structure of any kind may be erected or maintained on any tact without the prior written consent of the Developer or Architectural Control Committee. Developer or Architectural Control Committee shall have the right to remove any such non-conforming sign, advertisement or billboard or advertising structure, which is placed on any tract without such consent and in so doing, shall not be liable, and hereby expressly relieved from any liability for trespass or other tort in connection with, or arising from such removal.

SECTION 15. Property Owner's Association. The developer will be responsible for enforcing these Restrictions until 80% of the tracts are sold in the subdivision which is referred to as the "Control Transfer Date". Once the Control Transfer Date has occurred, Developer will assign to the property owners, the responsibility of the formation of a formal Property Owner's Association and Architectural Control Committee, if they deem necessary and so elect. At the same time, Developer will also assign to the property owners the authority to enforce these Restrictions, until such time as the formal Property Owner's Association has been formed, if they so elect. This authority includes the capacity to make any necessary decisions to enforce the Restrictions. The above-referenced authority to enforce the restrictions shall be available to each property owner individually, or collectively after the Transfer Control Date.

SECTION 16. Invalidation of any one of these convenants or restrictions by judgment or court order shall in no way effect any other provisions, which shall remain in full force and effect.

Exhibit B

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SECTION 17. No breach of any of the conditions herein contained or re-entry by reason of such breach shall defeat or render invalid the lien of any mortgage made in good faith and for value as the subject property; provided, however, that such conditions shall be binding on any owner whose title is acquired by foreclosure, trustees, sale or otherwise.

SECTION 18. The convenants and restrictions of this declaration shall run with and bind the land, and shall bind all owners for as period of thirty (30) years from the date hereof. Thereafter these restrictions shall automatically lose effect and become null and void.

SECTION 19. No tract or tracts shall be re-subdivided without the prior written approval of the Developer and proper county authorities.

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CHILDRY CHARLES IN

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THE STATE OF TEXAS COUNTY OF WALLER

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Official Public Records of Walter County, Texas, in the Volume and Page as noted hereon by me.

County Clerk, Waller County, Texas