

EXHIBIT "B"

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Covenants and Restrictions
10.308 and 11.155 Acres located
in Guadalupe County, Texas
and more fully described
in attached field notes; Exhibits B-1 and B-2
Article I
Property Rights

Easements

1-1 All tracts to have twenty foot (20') easement around the perimeter and a thirty foot (30') easement along State Highway 90 for the purpose of running utilities, including electric and water lines. Within these easements, no dwelling, structure, planting, or other material shall be placed or permitted to remain thereon which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements. The area of each lot and all improvements therein shall be continuously maintained by the owner of such lot, except for maintenance of which a public utility company is responsible.

1-2 Such easements, reservations, and rights of way shall at all times be open and accessible to public and quasi-public corporations, their employees and contractor, and shall also be open and accessible to Declarant, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under, and above such locations to carry out any of the purposes for which such easements, reservations and rights of way are reserved.

Article II
Use Restrictions

The tract shall be occupied and used only as follows:

2-1 Each tract shall maintain a residential appearance. Property may not be maintained with a business or commercial appearance. No structure may be placed closer than two hundred feet (200') from the public or private access point without written permission of the Architectural Control Committee. No residence may be placed, within one hundred feet (100') of any one side or rear property line, however the Architectural Control Committee reserves the right to change the designated use.

2-2 No owner or his or her successors or assign shall use any lot or any part thereof for any illegal purposes. No professional, business, or commercial activity to which the general public is invited shall be conducted on any Lot. No owner shall interfere with the right of any other owner to enjoy the peaceful use of his/her Lot.

2-3 No obnoxious or offensive activities shall be carried on upon said lot or lots, nor shall anything be done thereon which may be or become an annoyance or a nuisance to the neighborhood. No portion of the property shall be used in a manner that adversely affects adjoining lots or creates any annoyance or nuisance to other lot owners. This shall include noise pollution such as barking dogs, loud music or any other animal or fowl that creates a nuisance.

2-4 The raising or keeping of hogs on any part of the tract is strictly prohibited. The raising of horses, cows, sheep and goats shall be allowed, but shall be limited to one animal unit per acre. An "animal unit" is defined as a mother animal and one baby animal, except for sheep and goats, in which case five sheep or five goats equal an animal unit. No swine shall be permitted, nor shall any cattle feeding, fowl feeding and other feeding or commercial operations, expressly including commercial kennels, be permitted all of which are expressly prohibited, except animals for 4-H or FFA purposes. If any member of an owner's family is under the age of nineteen (19) and is a bona fide member of a 4-H Club or Future Farmers of America Club, then one animal per each member (but not in excess of three) shall be permitted for the purpose of raising each animal for competition or as part of a club project, provided, however, that (1) such animal shall be kept in a slightly pen or other structure, (2) the lot shall be kept clean and in a sanitary and odorless condition, and (3) the animal shall be removed from the lot upon completion of the competition or club

project. Chickens (no guinea fowl or pea fowl) shall be permitted provided their number is limited to three (3) per acre. Shelter for these animals shall be located in the rear one-third (1/3) of the property, not visible from the road, a minimum of one hundred feet (100') from the side and rear of the property line and neatly maintained. Exotic game shall be allowed upon the property, with the exception of those that would affect the health, safety and or welfare of any of the landowners with the subdivision. Any and all animals, including household pets, require appropriate fencing to confine them to their lot. No animal shall be permitted until the appropriate fencing is completed.

2-5 No rubbish, trash, garbage, or other waste material shall be kept on any lot except in sanitary containers located in appropriate areas concealed from public view.

2-6 No fence, hedge, wall, or other dividing instrument over eight (8) feet in height measured from the ground on which it stands shall be constructed or maintained on any lot.

2-7 No outbuilding, basement, tent, shack, shed, or temporary building of any kind shall be used as a temporary or permanent residence. Recreational vehicles (RV's) and motor homes are allowed as a temporary residence provided that they are well maintained and have a well kept nice appearance. All RV's and motor homes must have approval by the Architectural Control Committee. All requirements referenced in paragraph 2-8 and paragraph 2-10 apply to RV's and motor homes placed on lots.

2-8 No repairing of motor vehicles requiring more than three (3) days to complete shall be permitted on such lots. No motor vehicle shall be left parked, abandoned or otherwise unattended in a specific location on any portion of any lot or street within the subdivision for more than five (5) days. No motor vehicle which is not in operating condition or not bearing current license plates shall be placed or permitted to remain on the street or on any portion of any lot. Restoration of vehicles is permitted providing all work; parts and framework are done in a concealed garage.

2-9 No iron ore, topsoil, clay, gravel, or marketable timber (including firewood) shall be mined or sold from any lot.

2-10 Each inhabited structure constructed on this lot shall be connected to a septic tank with capacity and drain field installed in accordance with the regulations of the County Health Officer and shall be inspected and approved by such officer. This restriction is enforceable by the County Health Unit and/or the seller of the lot. Prior to construction owner of said lot(s) should contact said Health Officers for approval of individual septic systems.

2-11 Two (2) single family dwelling are allowed per tract. If a second residence is built or placed on said lot, then an additional water meter is to be installed or water well is to be drilled and an adequate septic system to be in place. However, the Architectural Control Committee shall have the authority to issue a variance as to the number of dwellings on a tract. No tracts may be re-subdivided without written approval of Guadalupe County, Texas, which approval must be recorded. Additionally, in no event may any tract be re-subdivided into a tract containing less than 1 acre.

2-12 Purchaser may dispose of timber for building sites and gardens, but must leave ample trees for shade over lot.

2-13 All driveways are to be installed and maintained by owner.

2-14 The type of material and placement of any fence must be approved in writing by the Architectural Control Committee. If a fence is installed without the Architectural Control Committee's prior approval, the fence is subject to being removed without notice.

2-15 The property shall not be used as a municipal or private land fill.

Article III Architectural Control

All dwellings or housing must be approved in writing prior to the placement of the home, or the ground breaking for the construction of the dwelling or housing structure by the Architectural Control Committee.

3-1 The ground area of each dwelling, exclusive of porches, carports, storage spaces shall not be less than 1200 square feet. All temporary living quarters of less than 1200 square feet may be used with written permission from the A.C.C., but 270 days from written permission is the maximum amount of time a temporary living structure may be in place on the lot without written permission from A.C.C. There shall be no singlewide manufactured homes allowed.

3-2 Manufactured Doublewide homes shall be underpinned and skirted in materials and colors compatible with the home within 60 days from date placed on the property.

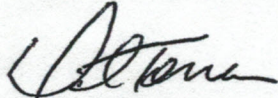
3-3 The restrictions on manufactured home placement apply both to original and to subsequently installed homes.

3-4 COMMITTEE MEMBERSHIP. The Architectural Control Committee is composed of Billy G. Radford, Deborah K. Radford, Donald Schawe and Debra Schawe. In the event of death or resignation of any member of the committee, the remaining member shall have full authority to designate a successor. On or before 2016, the ACC will appoint property owners to all positions of the ACC and relinquish control to the new committee.

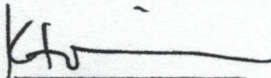
3-5 RIGHT OF WAIVER. The committee shall have the right to waive any restriction if the committee deems such waiver to be in the best interest of the lot owner and such action will not alter the general scheme of the adjoining tract or owners.

3-6 These restrictions are enforceable by the seller or any individual purchaser or owner of any lot. These restrictions shall be effective for a term of twenty (20) years from the effective date, after which time said restrictions should be automatically extended for successive periods of ten (10) years. These restrictions may be amended by an instrument signed by not less than seventy five percent (75%) of the lot owners, with an amendment recorded in the official records of Guadalupe County, Texas. Further, declarant reserves the right to unilaterally amend these restrictions for five (5) years from the effective date hereof in order to make corrections of typographical or grammatical errors, oversight, ambiguity or inconsistency appearing herein, provided that any such unilateral amendment by the declarant shall be consistent with and in furtherance of the general plan and scheme of development of the lots.

3-7 Seller is not responsible for any rollback taxes due to the change in use of said property from agricultural to non-agricultural. It is the purchaser's responsibility to individually apply for agricultural use and to pay such roll back taxes if assessed.


Buyer signature

1-19-07
Date


Buyer signature

1/19/07
Date