

**EXHIBIT "B"**  
**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

STATE OF TEXAS                    }  
  }  
COUNTY OF WILSON                }                   KNOW ALL MEN BY THESE PRESENTS:

This Declaration, made on the date hereinafter set forth by LA VERNIA HOMES, LTD., a Texas Limited Partnership, duly authorized to do business in the State of Texas, hereinafter referred to as "Developer".

**WITNESSETH:**

WHEREAS, Developer is the owner of \_\_\_\_\_ acres being more particularly described in the field notes on Exhibit "A" and plat map on Exhibit "A-1", and same being out of the 1419.893 acre tract, conveyed to La Vernia Homes, Ltd., by Deed recorded in Volume 1334, Page 769, out of the Sam Birkett Survey, Abstract 487; Gabriel Henries Survey, Abstract 174; Azoff Walker Survey Abstract 485; Moses Moore Survey, Abstract 231; E.H.Chandler Survey, Abstract 556; T. Toby Survey, Abstract 326; Thomas Toby Survey, Abstract 328 & Wm. Calvin Survey, Abstract 83, Wilson County, Texas ("the 1419.893 acre tract).

WHEREAS, it is the desire of Developer to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against this Tract.

NOW, THEREFORE, Developer hereby adopts, establishes and imposes upon this Tract and declares the following reservations, easements, restrictions, covenants, and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of this Tract, which Restrictions shall run with said Tract and title or interest therein, or any part thereof.

**ARTICLE I**  
**DEFINITIONS**

Section 1.01 "Builders" shall mean and refer to persons or entities that build speculative or custom homes thereon for third party purchasers.

Section 1.02 "Contractor" shall mean and refer to the person or entity with whom an Owner contracts to construct a residential dwelling on such Owner's Tract.

Section 1.03 "Developer" The term "Developer" shall mean LA VERNIA HOMES, LTD., as well as any other person or entity who is a successor to LA VERNIA HOMES, LTD., or who shall have had their rights or duties as Developer assigned to them.

Section 1.04 "Tract" shall mean and refer to this plot of land identified as a Tract, home site or subdivided property.

Section 1.05 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to this Tract.

**ARTICLE II**  
**RESERVATIONS, EXCEPTIONS AND DEDICATIONS**

Section 2.01 Easements. Developer reserves the non-exclusive right to use the utility easements and right-of-ways indicated herein or that have been or hereafter may be created by separate instrument recorded in the Real Property Records of Wilson County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of water, electric lighting, electric power, telegraph and telephone line or lines, storm surface or underground drainage, cable television, or any other utility the Developer sees fit to install in, across and/or under the Property. All utility easements may be used for the construction of drainage swales in order to

provide for improved surface drainage of the Property. Should any utility company furnishing a service covered by the general easements herein provided request a specific easement by separate recordable document, Developer, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the Tract shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. **Nothing contained herein shall impose any obligation on Developer to construct or maintain any utilities.** Neither Developer nor any utility company, political Subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements.

Section 2.02 Title Subject to Easements. It is expressly agreed and understood that the title conveyed by Developer by contract for deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water system, electric lighting, electric power, telegraph or telephone purposes and other easements hereafter granted affecting the Tract. The Owner shall not be deemed to own pipes, wires, conduits or other service lines running through their Tract which are utilized for or service other property, but the Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of the Tract.

Section 2.03 Utility Easements:

a. There is hereby dedicated a fifteen foot (15') wide public utility and drainage easement along the front, side and rear tract lines and a floating forty foot by twenty foot (40'x20') electric guy wire easement on this Tract and contiguous to said 15' easement for the purpose of installation or maintenance of public utilities, including, but not limited to water, electricity, and telephone and any appurtenance to the supply lines thereof, including the right to remove and/or trim trees. This Tract is subject to easements and restrictions now of record, and is subject to any applicable zoning rules and regulations.

b. Except as otherwise provided herein, no structure shall be located over, under, upon or across any portion of any utility easement. The Tract Owner shall have the right to construct, keep and maintain concrete drives, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from the Tract, provided, however, any concrete drive, fence or similar improvement placed upon such Utility Easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of this Tract subject to said Utility Easements shall be responsible for (i) any and all repairs to the concrete drives, fences and similar improvements which cross or are located upon such Utility Easements and (ii) repairing any damage to said improvements caused by a Utility District or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the Utility Easements.

ARTICLE III  
USE RESTRICTIONS

Section 3.01 Single Family Residential Construction. No building shall be constructed on this Tract other than one single family residential dwelling with a detached garage or carport for each 10 acres included in this Tract. In addition to the primary residence, there may be constructed either (a) one garage apartment as part of the garage or (b) one guest house, so long as such guest house is attached to the primary residence by a common roof (including a roof over an open breezeway). There may be only one garage apartment or one connected guesthouse, but not both. There may also be constructed workshops, barns, and outbuildings so long as they are of good construction, and kept in good repair, and are not used for temporary or permanent residential purposes. Any pre-existing outbuildings, barns or similar improvements may continue to remain on the property. All plans and specifications for residential dwelling and other structural improvements must conform to these covenants, conditions and restrictions, prior to being constructed. The term "dwelling" does not include single-wide, double-wide or multi-section manufactured homes, and said manufactured homes are not permitted within this Subdivision. Any single story residential dwelling must have at least 1,600 square feet of living area, and any multiple story residential dwelling must have at least 1,800 square feet of living area, with at least 1,000 square feet included within the first story. All porches, garages, guest dwellings, and outbuildings are excluded from the definition of living area and will not be considered in determining compliance with the minimum square footage requirements set forth

above. All dwellings and outbuildings must be constructed with new materials, except that used brick, stone, wooden beams, and doors may be used for antique effect if such use is appropriate for the structure and does not detract from the appearance of the structure or the subdivision. All residential dwellings must be site built and constructed upon a monolithic full concrete slab foundation, more specifically, no concrete pier, beam or similar structure may be used as a foundation. Each residence must have a minimum of seventy-five percent (75%) brick, rock or stucco masonry construction on exterior walls. Cement siding (for example, Hardi-Plank) may not be used to fulfill any portion of the masonry requirement hereunder. Any building, structure or improvement commenced on any Tract shall be completed as to exterior finish and appearance within six (6) months from commencement date. During construction of a residence, it is required to have a container for storage of trash and building construction debris, and a portable construction toilet for construction workers. Both container and construction toilet must be removed immediately upon completion of construction. Additionally, during the construction of a dwelling, a camper or recreation vehicle may be kept on the property for up to six (6) months, so long as said camper or recreation vehicle is hooked up to an approved septic system. The above said period may not be extended without the express written consent of the Developer, its successors or assigns. As used herein, the term "single family residential purposes" shall be construed to prohibit mobile homes or trailers being placed on said Tracts, or the use of said Tracts for duplex houses, four-plexes, condominiums, apartment houses, motels or any lease/rental arrangement of less than ninety (90) days in duration. It is specifically agreed that Tract Owners shall not excavate, remove or sell the soil, nor cut, sell or remove timber other than as necessary for the construction of residential and associated improvements upon the property and as may be necessary for the reasonable use, upkeep and maintenance of the property. No residence shall be occupied even on a temporary basis until water service is connected and an approved private sewage disposal system is installed. Tract owner must contact the U.S. Post Office for mail service.

Section 3.02 Tract Lines / Setbacks. No building of any kind shall be located on this Tract nearer than fifteen feet (15') to the side or rear property line, or nearer than one hundred feet (100') from front property line facing any public road.

Section 3.03 Fences. All fences must be constructed with new materials.

Section 3.04 Minimum Tract Area. The Texas Veterans Land Board may sever a homesite parcel from this Tract. Otherwise, this Tract shall not be subdivided without the consent of the Developer, its successors and assigns, which consent may be granted or withheld at the sole discretion of the Developer, its successors or assigns.

Section 3.05 Water Wells. A permit is required from Evergreen Underground Water District for a private water well. Site location for any water well must be such that any required sanitary easement is provided for and contained solely on this Tract.

Section 3.06 Prohibited Activities and Offensive Activity. This Tract shall not be used or maintained as a dumping ground for rubbish, and this Tract shall not be used for the open storage of any materials whatsoever, which storage is visible from the road. However, any new building materials used in the construction of improvements erected upon this Tract may be placed upon this Tract at the time construction is commenced and may be maintained thereon for a reasonable time, as long as the construction progresses without undue delay, until the completion of the improvements, after which time those materials shall either be removed from the Tract or stored in a suitable enclosure on the Tract. No inoperative or unlicensed automobile shall be placed on this Tract except in an enclosed structure, which meets the requirements of these restrictions. No automobile, truck, trailer or other vehicle shall be abandoned on this property, nor shall there be any dumping or placing of unsightly objects of any kind on the property. No commercial trucks (commonly referred to as eighteen (18) wheelers) or heavy commercial equipment may be parked on or near this Tract except temporarily as needed for residential construction purposes. Farm related equipment for maintenance of property shall not be considered heavy commercial equipment. No noxious or offensive activity shall be carried upon this Tract nor shall anything be done therein which may be or become an annoyance or nuisance to the neighborhood.

Section 3.07 Unsightly Storage. No junk, wrecking or auto storage yard shall be located on any Tract, specifically no cars shall be kept in sight of road or neighbors for more than sixty (60) days if not in running order.

Section 3.08 Utility Stipulations. No outside toilet will be permitted. No sanitary sewage disposal system shall be installed on this Tract until a permit is issued by the regulatory authority having jurisdiction over same. All dwellings placed on this Tract must be equipped with septic tank or other sewage disposal system meeting all applicable laws, rules, standards and specifications, and all such dwellings must be served with water and electricity.

Section 3.09 Signs. No signs of any kind may be erected on this Tract except one (1) sign not more than 18"x24", advertising this Tract for sale, rent or during home construction. Developer shall have the right to remove any such sign, which is placed on any Tract in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from any liability for trespass or other action in connection therewith, or arising from such removal. Developer shall have the right to erect any size sign for the purpose of identifying and advertising property.

Section 3.10 Driveway Permit. A Wilson County Driveway Permit is required prior to construction of a driveway. No natural drainage shall be altered, nor shall any drainage ditch, culvert, nor drainage structure of any kind be installed nor altered, nor shall any curb nor shall other such impediment to the free flow of water be installed nor altered.

Section 3.11 Prohibited Use of Tract as Roadway. This Tract shall not be used as a street, access road, or public thoroughfare without the prior written consent of the Developer, its successors or assigns.

Section 3.12 Animals. The following animals may be raised or kept on the property:

- a. Household pets, such as cats, dogs and birds.
- b. Livestock animals raised for 4-H or FFA school supervised programs, as long as used as a school project.
- c. Horses and cattle, provided no more than one head per acre of area. Otherwise, no animals may be raised or maintained on any Tract. In no case shall any commercial feedlot operation be allowed, nor the breeding and raising of animals as a commercial operation.
- d. No pigs or hogs may be raised, kept or bred, except for 4-H or FFA school supervised programs.
- e. Dogs must be kept in fenced in area or under leash.

Section 3.13 Home Office/Telecommuting. Home Office/Telecommuting is permissible when conducted by a person in his residence. No other business shall be allowed. To be considered as a home office/telecommuting activity, the following applies:

- a. The activity shall be at the residence of the person conducting the activity and it shall be entirely contained within the personal residence.
- b. The activity is carried on only by the person(s) who reside(s) at that residence and specifically no outside employees.
- c. The activity is incidental and secondary to the use of the property for residential purposes. The amount of space used for the activity shall not exceed 20% of the residential living area square footage.
- d. The activity does not result in an objectionable noise, nor does it increase traffic volume or additional parking.
- e. The activity does not include any window or outdoor displays and does not include any retail sale on the property. The residence where the activity is located shall not be used as a point for customer visits, customer pick up or customer deliveries. Outdoor storage of any items related to the activity is prohibited.

ARTICLE IV  
GENERAL PROVISIONS

Section 4.01 Covenants Running With The Land. All of the restrictions, covenants, and easements, herein provided for and adopted apply to this Tract, and shall be covenants running with the land. **This subdivided property is not subject to an assessment (fee payable by the Tract owner) by a property owners association. There is no property owners association which uses money collected from assessments to enforce restrictive covenants covering this subdivision. There is no state or local government organization whose job is to enforce the restrictive covenants covering this subdivided property.** The Developer shall have the right to either prevent a breach of any such restriction or covenant or enforce the performance thereof. Nothing herein shall be construed as compelling the Developer to enforce any of these provisions nor shall the failure of the Developer to enforce any of these provisions be deemed to be a waiver of the right of enforcement or prohibition. The Developer shall have no liability or responsibility at law nor in equity on account of enforcement of nor on account of the failure to enforce these restrictions. **Therefore, the duty to enforce the restrictive covenants is the responsibility of each subdivided property owner and any owners of the 1419.893 acre tract including Triple R Ranch, Units 1 through 4 and future units within the 1419.893 acre tract.**

Section 4.02 Amendments by the Developer. The Developer shall have and reserves the right until January 31, 2018 without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical or grammatical error, oversight, ambiguity or inconsistency appearing herein, provided that such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any owner or his Mortgagor.

Section 4.03 Partial Invalidity. Invalidation of any covenant or restriction (by Court Judgment or otherwise) shall not affect, in any way, the validity of all other covenants and restrictions, all of which shall remain in full force and effect. Acquiescence in any violation shall not be deemed a waiver of the right to enforce against the violator or others, the conditions so violated or any other conditions.

Section 4.04 Term and Amendments. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of, and be enforceable by the Developer, and their respective legal representatives, heirs, successors and assigns, and additionally any owners of the 1419.893 acre tract including Triple R Ranch, Units 1, 2, 3, 4 and any future units within the 1419.893 acre tract.