

EXHIBIT B

RESTRICTIONS, COVENANTS AND CONDITIONS

The above described ____ acre tract of Property (herein called the "Property") is sold and conveyed subject to the following restrictions, covenants and conditions:

ARTICLE 1

Definitions

- 1.01 "Property means that ____ acre tract of land, described in the Deed to which these Restrictions, Covenants, and Conditions are attached.
- 1.02 "Parent tract" means that 394 acre tract of land in Lampasas County, Texas described in Attachment No. 1 attached hereto.

ARTICLE 2

Restrictions

- 2.01 Except as hereinafter provided, no part of the Property shall be used for any purpose other than residential.
- 2.02 All residences constructed on the property must be constructed with new materials.
- 2.03 All residences constructed on the property shall contain at least 1,000 square feet, exclusive of open porches, breezeways, carports and garages. All construction shall be completed with reasonable diligence and exterior constructions must be completed within eighteen (18) months after construction is started. No residence shall be occupied unless all exterior construction on the residence is complete.
- 2.04 No single mobile homes or house trailers are allowed on the property .
- 2.05 No trade or business of any kind shall be conducted on the Property, save and except for home based business, not open to the public, farming and ranching is allowed and livestock, except as hereinafter provided, may be raised, bred or kept on the Property. No pigs or hogs, except as hereinafter provided, no chickens or other fowl are allowed on the property. No commercial feed lots are allowed on the Property.

Notwithstanding the above provisions, if the Property is not subdivided then not more than two (2) FFA or 4-H or similar project of a child may be allowed on the property (which projects may include, without limitation, a hog or pig, or chickens) so long as they are kept in a pen. If the Property is subdivided, then, notwithstanding anything herein, one (1) FFA or 4-H or similar project of a child, may be allowed on each tract resulting from such subdivision (which project may include, without limitation, a hog or pig or chickens), so long as same is not offensive to neighbors and the animals or chickens are kept in a pen.

For the purposes of ranching activities and the raising, breeding and keeping of livestock on the Property, the number of animals permitted on the Property shall be limited to the average stocking rate of native grass pastures in Lampasas County, Texas. However, if improved grasses are introduced on the Property, then the number of animals permitted shall be limited to the average stocking rate of improved grass pastures in Lampasas County, Texas.

2.06 No dirt, sand, rock, gravel, caliche or similar materials may be removed from the Property.

2.07 No noxious or offensive activity shall be carried on upon the Property. Nor shall anything be done thereon which may be or become a nuisance to the neighborhood.

2.08 The Property shall not 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. Trash and waste shall not be burned on the Property but shall be removed by the owner using a commercial trash pick-up service or by the owner himself removing the trash or waste from the Property.

2.09 All residences and other improvements on the Property shall be kept in a good state of repair and condition.

2.10 All domestic animals shall be contained within the boundaries of the Property or in the control of a responsible individual.

2.11 No outside, open, or pit type toilet shall be allowed on the Property and all plumbing shall be connected to an approved septic or sewer system. All septic and sewage disposal systems must comply with the requirements, rules and regulations of the appropriate governing agencies.

2.12 No structure of a temporary character, any tent, shack, garage, barn, unfinished residence, barn or other outbuilding shall, at any time, be used as a residence or dwelling, either temporarily or permanently. A travel trailer or motor home may be used as temporary living quarters during construction of a new home, for a maximum period of nine (9) months.

2.13 No oil well drilling, development or refining, and no mineral quarrying or mining operations of any kind shall be permitted on the Property. No oil well, tank, tunnel, mineral excavation, or shaft shall be permitted on the Property. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals shall be erected, maintained or permitted on the Property.

2.14 No junk yards, repair yards or wrecking yards shall be located on the Property. Any vehicle in a state of disrepair or which is unlicensed or unregistered that is placed on the Property for more than two (2) weeks shall constitute a "junk yard" except when stored in a garage or building. All vehicles on the Property must have current licenses and registration and be in regular use.

2.15 No commercial signs of any kind shall be displayed in public view on the Property except for signs advertising that the Property is available for sale or rent. In the latter event, only one sign not more than 10 square feet may be placed on any single parcel of the Property for advertising purposes.

2.16 The property and improvements thereon shall not be used for any purpose that is in violation of any environmental law.

2.17 Until the portion of the Parent tract located on State Highway 190 or Lampasas County Road 2513 is enclosed with a fence capable of turning livestock, the perimeter fence of the Property shall not be destroyed nor taken down. However, nothing herein shall prevent the construction of gates (provided they are kept closed) or cattle guards (capable of turning livestock) from being constructed in said perimeter fence.

ARTICLE 3

Exceptions

3.01 Nothing herein shall be deemed to impose the above Restrictions, Covenants, and Conditions upon the portion of the Parent Tract not included in the above described ____acre tract.

ARTICLE 4

General Provision

4.01 Any owner of any portions of the Property or any owner of any portion of the Parent Tract shall have the right to enforce, by any proceeding at law or in equity, all restrictions, covenants and conditions imposed herein. Failure to enforce any covenant or restriction or condition shall not be deemed a waiver of the right of enforcement either with respect to the violation in question or any other violation. All waivers must be in writing and signed by the party to be bound.

4.02 Invalidation of anyone of these restrictions, covenants and conditions, by judgement or Court order shall in no way affect any other provisions, and all other provisions shall remain in full force and effect.

4.03 These Restrictions, Covenants and Conditions shall run with Property and shall be binding on all parties having any right, title or interest in the Property in whole or in part, and their heirs, successors and assigns.

4.04 The above Restrictions, Covenants and Conditions shall be effective for a term of twenty (20) years from the date of the Deed to which they are attached after which period these Restrictions, Covenants and Conditions shall be automatically be extended for successive periods of ten (10) years subject to termination by an instrument signed by all of the owners of the Property and all the owners of the Parent Tract. The above Restrictions, Covenants and Conditions may be amended by a writing which is signed by all of the owners of the property and all of the owners of the Parent Tract. Neither any amendment nor any termination shall be effective until recorded in the Official Public Records of Lampasas County, Texas.

4.05 If any controversy, claim or dispute arises relating to the above Restrictions, Covenants and Conditions, their breach or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.