

EXHIBIT B LIMITATIONS AND RESTRICTIONS

The following limitations and restrictions are hereby imposed upon the Property, which limitations and restrictions shall remain in force and effect for a period of thirty (30) years from and after the date hereof, at which time they shall cease to be of any further force or effect:

1. The Property shall be used for single-family private residential and recreational purposes only. No part of the Property shall be used for business, industrial or commercial purposes of any nature except as expressly provided in the following provisions. This restriction shall not prevent Grantee from raising livestock on the Property (except for swine which are expressly prohibited, except no more than one pig per child may be raised as a 4-H or F.F.A. school sponsored project, or one pig for personal use), provided the Property is properly fenced so as to enclose such livestock, and provided further that no "feed lot" type operations shall be conducted on the Property. This restriction shall also not restrict conducting business activities solely within the confines of the dwelling, provided such business meets the following criteria: (a) no additional exterior sign of activity is present, (b) the general public is not invited to the Property, and (c) the service or product is delivered off the Property, electronically or by mail. Further this restriction shall not prevent a lessee under a valid and subsisting oil, gas and/or mineral lease covering the Property from conducting operations on the Property under, and in accordance with, the terms and provisions of such lease. Nothing in these limitations and restrictions are meant to prohibit the construction and operation of a Bed and Breakfast, with up to ten (10) units, to be approved by Grantors. Approval is to assure the Property remains residential in appearance and in nature and must be procured in writing, in advance.

2. All buildings constructed on the Property must have an attractive appearance and must be maintained in such a way so as to present an attractive appearance. If the buildings are of frame construction, they shall be painted with two or more coats of paint, or shall have redwood siding, cedar siding, brick or other permanent siding not requiring paint.

3. All dwellings must have at least 1,400 square feet of living area, exclusive of porches, and be built with new construction material and be built on a concrete slab. Trailer houses or mobile homes will not be permitted except on a temporary basis, not to exceed one (1) year, during the period a permanent residence is under actual construction, provided the same is in good repair and attractive in appearance, and is connected to a septic system, as hereinafter defined. Such trailer house or mobile home shall be removed from the Property when the permanent residence has been completed. This restriction is not intended to prevent a motor home, travel trailer or camper from being parked on the Property, provided the same is not used as a residence, and is placed at least three hundred feet (300') from any road, or one hundred feet (100') from any Property line.

4. No dwelling shall be located nearer than three hundred feet (300') from county or state roads, and no nearer than one hundred feet (100') to the side Property line and the rear Property line. No other building shall be located nearer than three hundred fifty feet (350') from any county or state roads, and no nearer than one hundred feet (100') to the side Property line and the rear Property line.

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5. No outside toilet shall be permitted on the Property. All toilet facilities shall be built exclusively within the confines of the dwelling, garage, servant's quarters, or other building used properly for some purpose other than a toilet. Each toilet shall be connected with a septic tank, which septic tank shall be constructed and maintained by Grantee in accordance with the standards and regulations which are or may be required by the State of Texas, the County of Mason, or any water district or other governmental agency.
6. All water wells drilled on the Property shall be cased and cemented in accordance with the rules and regulations of the Health Department of the State of Texas.
7. No signs, billboards, or advertising devices of any kind shall be placed on the Property.
8. The Property shall not be divided or subdivided without the express written permission of Grantor, ~~_____~~
9. These limitations and restrictions shall be binding upon Grantee, and Grantees heirs, executors, successors or assigns and any parties claiming by, through and under Grantee, each of whom shall be obligated and bound to observe said limitations and restrictions, which limitations and restrictions may be enforced by Grantor, Grantors successors or assigns or by any party claiming under Grantor and owning any portion of the lands described in the Deed from Spy Rock Development Company, Ltd. and recorded in Volume _____ Page _____ of the Deed Records of Mason County, Texas, to which Deed and its record, reference is here made for all purposes (collectively, the "Benefited Parties"). Each and every such Benefited Parties, above identified, shall have the right to enforce the observance of said limitations and restrictions, which shall be covenants running with the land, and shall have the right to injunction, either prohibitory or mandatory, or both, as a means of preventing a breach, or to enforce the observance of said limitations and restrictions herein contained, which remedy of injunction shall be cumulative of all other legal remedies to which said Benefited Parties may be entitled, and specifically, Grantor, and such Benefited Parties, above identified, who are damaged by virtue of a breach of any of such limitations and restrictions, shall have the right to sue for damages any person or persons violating the provisions hereof shall be liable for legal damages and reasonable attorney's fees.
10. No waiver by Grantor or by such Benefited Parties, above identified, of any breach of any of the said limitations and restrictions herein contained to be performed by Grantee, and Grantees heirs, executors, successors or assigns and any parties claiming by, through and under Grantee, shall be construed to be a waiver of any succeeding breach of the same limitations and restrictions.
11. Invalidity of any of these limitations and restrictions by judgment or court order, or otherwise, shall not affect any of the other provisions, which shall remain in full force and effect.

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REDIEM INVESTMENTS

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"EXHIBIT C"

Grantors covenant and agree, however, that any future oil, gas and/or mineral or mining lease executed by Grantors, their heirs or assigns, covering Grantors' interest in the oil, gas and mineral estate in the Property, shall expressly provide that the lessee therein shall have no right to conduct drilling, mining, exploring and producing operations thereon, or to construct houses, pits, tanks, lines or similar structures thereon, and that the right to produce the minerals under the Property shall be exercised by conducting all such drilling, mining, exploring and producing operations on lands other than the Property. Any person, firm or corporation obtaining a lease from Grantors, their heirs and assigns, shall be bound to comply with the above covenants, agreements and obligations, even though the same may not be incorporated in any such lease, and such covenants, agreements and obligations shall be covenants running with the land.

EXHIBIT "D"