

EXHIBIT B



RES

200909977

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SKYWEST RANCH AN UNRECORDED SUBDIVISION

THIS DECLARATION governs all lots within that certain lot, tract or parcel of land in Burnet, County, Texas described in Paragraph 1.05 below (hereinafter, "the Property"). The Declarant is presently the Owner and developer (hereinafter referenced sometimes as "the Declarant," "the Owner" and/or "the Owner/Developer") of all lots and property within the Property (defined in 1.05 below).

In order to protect the value and desirability of the Property, these Covenants, Conditions and Restrictions (hereinafter, "the Restrictions") are hereby established and shall run with the Property and be binding on all parties having a right, title or interest in and to any and all tracts derived from the Property.

I. DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases shall have the meanings hereinafter specified:

- 1.01 "Declarant" refers to Weaton 243 LLC, a Texas limited liability company, and to assignees and other lawful successors in interest.
- 1.02 "Declaration" refers to the present instrument, as it may be amended from time to time.
- 1.03 "Lot" means any parcel of land within the Property as conveyed by Owner/Declarant, **TOGETHER WITH ALL IMPROVEMENTS LOCATED THEREON.**
- 1.04 "Owner" means any person holding a fee simple interest in any portion of the Property; a mortgagee is not an Owner.
- 1.05 The "Property" means all of the land (and improvements thereon) described as follows:

BEING 212.562 ACRE TRACT OF LAND, MORE OR LESS, OUT OF THE JOHN BAILEY SURVEY NO. 7, ABSTRACT NO. 51, THE C. G. EASON SURVEY ABSTRACT NO. 1546 AND THE A. F. COX SURVEY NO. 2, ABSTRACT NO. 519 IN BURNET COUNTY, TEXAS, AND BEING A PORTION OF A 557.047 ACRES TRACT CONVEYED TO STEPHEN GURASICH IN DOC. NO. 200710819 OF THE BURNET COUNTY, TEXAS OFFICIAL RECORDS, SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.

II. GENERAL PROVISIONS AND RESTRICTIONS

- 2.01 **Developer Responsibility for Enforcement.** The Owner/Developer shall have the option, but not the responsibility, for enforcing the Restrictions until such times as seventy percent (70%) of the tracts derived from the Property have been sold ("Triggering Event"). Owner(s) shall have the right of enforcement as set out in Section 2.20 hereinbelow. Within sixty (60) days after the Triggering Event, the Owners will then elect a "Committee" made up of three (3) unrelated Owners to serve for a period of one (1) year, after which term the Owners shall vote either to elect another Committee or cancel the Committee altogether, leaving enforcement of the Restrictions up to the individual Owners. The Owner(s) of each tract derived from the Property shall have one (1) vote for purposes of the Committee.
- 2.02 **Property Use.** The Property shall be utilized FOR RURAL RESIDENTIAL USE ONLY. No business or business signs of any sort, type or kind shall be allowed on the Property. Small-scale family farming business is allowed, so long as same does not cause a nuisance to any Owner or other tracts derived from the Property.
- 2.03 **Subdivision.** No Tract derived from the Property may be subdivided into any daughter tract consisting of fewer than ten (10) acres of land, and any such daughter tract must have not less than sixty feet (60') frontage on Burnet County Road 213, Burnet County Road 212 or Texas Farm to Market Road 243.
- 2.04 **Residences.** Housing constructed on any individual tract derived from the Property may consist of (i) one main residence which must contain a minimum of one thousand (1,000) square feet; and (ii) no more than one guest residence, which may contain any number of square feet. The design and construction shall be of a type deemed compatible with community standards as initially determined by the Developer, and initially, the Developer and subsequently the Committee as set out above, shall approve any and all construction in advance of such construction, which approval shall be evidence in writing. Construction of a residence must be completed and the residence approved as ready for occupancy not later than nine (9) months after said construction is commenced.
- 2.05 **Building Set-Back Lines and Access; Utility Easements.** No building or structure other than a boundary line fence shall be located nearer than seventy-five feet (75') to the front line of any tract derived from the Property nor nearer than twenty feet (20') to any side or rear line of any derived tract. Easements for public utilities ten feet (10') in width are hereby reserved along the front, side and rear property lines of each tract derived from the Property.
- 2.06 **Barns, Sheds or Other Buildings.** All barns, sheds or other ancillary outbuildings must conform to a design and construction type compatible with local ranching community standards and shall be subject to approval prior to

construction, such approval to be initially by the Developer, and subsequently the Committee as set out above, which approval shall be evidenced in writing.

- 2.07 **Fences.** All fences installed on any tract derived from the Property shall be of a design and type compatible with local ranching community standards and shall be subject to approval prior to construction, such approval to be initially by the Developer, and subsequently the Committee as set out above, which approval shall be evidenced in writing.
- 2.08 **Temporary Structures.** No temporary structures of any kind, type or sort whatsoever shall be permitted, excepting a travel trailer, or a motor home or a similar recreational vehicle may be utilized as temporary living quarters for a period not to exceed nine (9) months, during construction of a residence. Written permission for this use must be obtained from the Developer, and subsequently the Committee as set out above, which approval shall be evidenced in writing.
- 2.09 **Water Well.** Any well drilled or other water supply system constructed to serve any tract derived from the Property shall conform to and comply with the requirements, rules and regulations for such water supply installations as promulgated by the County of Burnet and the State of Texas. Additionally, the location for such proposed well must be approved initially by the Developer, and subsequently the Committee as set out above, which approval shall be evidenced in writing.
- 2.10 **Septic System.** All septic systems and/or sanitary sewage disposal systems constructed to serve any tract derived from the Property shall conform to and comply with the requirements, rules and regulations for such systems and disposal installations as promulgated by the County of Burnet and the State of Texas. Additionally, the location for such proposed septic system must be approved initially by the Developer, and subsequently the Committee as set out above, which approval shall be evidenced in writing.
- 2.11 **Manufactured Housing.** No mobile homes, modular homes or similar manufactured housing units of any kind, sort or type whatsoever shall be permitted or installed on the Property.
- 2.12 **Recreational Vehicles, Trucks, Boats and Other Equipment.** All recreational vehicles, trucks, boats and other equipment shall be housed inside a garage or other approved structure. Alternatively, all such equipment shall be parked on any tract derived from the Property in such a manner that such equipment is not visible to any adjacent derived tract or from the county road. Visitors and guests of Owners are excluded from this requirement, so long as the vehicle of the visitors or guests is not allowed to remain on the derived tract for a period of more than three (3) days during any thirty (30) day period. Tractors and other farm machinery are excluded from this restriction, provided that such tractors and other farm machinery are not in excess of the type and amount thereof, which may

reasonably be required to operate a small farm on the derived tract. Neither recreational vehicles, trailers, travel trailers or boats of any kind, type or sort whatsoever shall ever be occupied as a residence.

- 2.13. **Pets and Livestock.** No animals of any kind, sort or type whatsoever shall be raised, boarded or bred for commercial purposes on any tract derived from the Property. Livestock may be kept and raised to be sold in order to meet requirements for agricultural property tax exemption, or for Future Farmers of America or 4H programs, but such livestock shall be restricted in type and number as follows: Livestock shall be limited to no more than one (1) animal unit per every three (3) acres of land occupied by an Owner. For purposes of these Restrictions, an animal unit shall be defined as either one (1) horse; one (1) cow (with calf); three (3) goats or sheep; or three (3) fowl. **NO SWINE OF ANY KIND, TYPE OR SORT WHATSOEVER SHALL EVER BE RAISED OR ALLOWED ON ANY TRACT DERIVED FROM THE PROPERTY.** There can be no more than three (3) dogs on any tract derived from the Property. If any Owner receives two (2) or more complaints concerning pets or livestock, the said pets or livestock may be subject to being declared a nuisance, and the Owner may be required to remove same from the derived tract. Keeping of excessive numbers of domestic animals may be defined as constituting a nuisance at the determination initially of the Developer, and subsequently of the Committee as set out above.
- 2.14. **Noxious Activities.** No noxious or offensive activity of any kind, sort or type whatsoever shall be permitted on any tract derived from the Property.
- 2.15. **Condition of Tracts.** No derived tract shall be utilized as a dumping ground for rubbish, trash, garbage, old vehicle or machinery parts. No dilapidated structure or building of any kind, type or sort whatsoever shall be kept on any derived tract. All garbage and refuse shall be kept in a sanitary container.
- 2.16. **Abandoned Vehicles.** No abandoned vehicle(s) of any kind, type or sort whatsoever shall be kept on any portion of the Property unless garaged in a suitable structure. A vehicle shall be deemed abandoned if said vehicle is not legally permitted to be driven on public streets or roads.
- 2.17. **Firearms.** Discharge of firearms is prohibited, except in self-defense, for control of dangerous animals and pests or for use in hunting by the Owner or Owner's immediate family during legal hunting seasons. There shall be no target practice.
- 2.18. **Exception for Existing Tract.** The existing improvements on the derived tract nominated as "Tract Seven (7)" do not conform to restrictions 2.05; 2.06; 2.07 and 2.09 set out above. Accordingly, the said Tract Seven (7) is hereby exempted from those restrictions. However, any future constructions of any type, kind or sort whatsoever installed on the said Tract Seven (7) shall conform in all particulars to all Restrictions as set out in this Declaration.

- 2.19 **Compliance with Declaration.** Each Owner shall comply strictly with the provisions of this Declaration. Failure to comply with any part of this Declaration shall give rise to a cause of action for damages, attorney's fees, and/or injunctive relief.
- 2.20 **Enforcement and Non-Waiver.** Except as otherwise provided herein, any Owner (at his/her expense), or Declarant shall have the right to enforce any or all of the provisions of this Declaration. In order to enforce the Declaration, Owner/Declarant, shall deliver written notice to the alleged violator, setting forth the basis of the complaint. Upon receipt of said notice, the alleged violator shall have thirty (30) days in which to remedy the violation (unless such time frame will cause serious harm to the complaining party and/or other Owners, in which case the notice period will be reduced to the maximum time which will not cause serious harm to others); and if the alleged violator fails to do so, then the complaining party shall have the right to enforce the Declaration through a suit for damages and/or injunctive relief. The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right therefore to enforce any such provision or any other provision of said Declaration. The prevailing party in any lawsuit to enforce this Declaration shall recover his/her attorney's fees and costs of suit from the other party.
- 2.21 **Amendment.** This Declaration may be amended or terminated by the recording in the Official Public Records of Burnet County, Texas, of an instrument executed and acknowledged by: (i) Declarant acting alone and unilaterally; or (ii) by at least seventy-five percent (75%) of Owners of the Lots within the Property. Specifically, and not by way of limitation, Declarant may unilaterally amend this Declaration: (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on Lots; or (d) to comply with any requirements promulgated by a local, state or federal governmental agency, including, for example, the Department of Housing and Urban Development.
- 2.22 **Reserved Easements.** All dedications, limitations, restrictions and reservations shown on any plat covering the Land and all grants and dedications of easements, rights-of-way, restrictions and related rights made by Declarant prior to the Property becoming subject to this Declaration are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein, and will be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant. Declarant reserves the right to relocate or make changes in, vacations of and additions to said easements, rights-of-way, dedications, limitations, reservations and grants for

the purpose of most efficiently and economically developing and using all or any portion of the Property.

2.23 **Utility Easements.** Declarant hereby reserves unto itself and Declarant's successors and assigns a perpetual non-exclusive easement over and across the Property for: (i) the installation, operation and maintenance of utilities and associated infrastructure to serve all or any portion of the Property and any other property owned by Declarant or its affiliates; (ii) the installation, operation and maintenance of cable lines and associated infrastructure for sending and receiving data and/or other electronic signals, security and similar services to serve all or any portion of the Property and any other property owned by Declarant or its affiliates; and (iii) the installation, operation and maintenance of, walkways, pathways and trails, drainage systems, street lights and signage to serve all or any portion of the Property and any other property owned by Declarant or its affiliates. The exercise of the easement reserved herein will not extend to permitting entry into any residence, nor will it unreasonably interfere with the use of any Lot or residence or improvement constructed thereon.

2.24 **Addition of Land.** Declarant may, at any time and from time to time, add additional lands to the Property. Upon the filing of a notice of addition of land, such land will be considered part of the Property for purposes of this Declaration, and such added lands will be considered part of the Property subject to this Declaration and the terms, covenants, conditions, restrictions and obligations set forth in this Declaration, and the rights, privileges, duties and liabilities of the persons subject to this Declaration will be the same with respect to such added land as with respect to the lands originally covered by this Declaration. To add lands to the Property, Declarant will be required only to record in the Official Public Records of Burnet County, Texas, a notice of addition of land containing the following provisions:

- (i) A reference to this Declaration, which reference will state the volume and initial page number of the Official Public Records of Burnet County wherein this Declaration is recorded;
- (ii) A statement that such land will be considered Property for purposes of this Declaration, and that all of the terms, covenants, conditions, restrictions and obligations of this Declaration will apply to the added land; and
- (iii) A legal description of the added land.

2.25 **Assignment of Declarant's Rights.** Notwithstanding any provision in this Declaration to the contrary, Declarant may, by written instrument, assign, in whole or in part, any of its privileges, exemptions, rights and duties under this Declaration to any person or entity and may permit the participation, in whole, in part, exclusively, or non-exclusively, by any other person or entity in any of its privileges, exemptions, rights and duties hereunder.

2.26 **Term.** This Declaration, including all of the covenants, conditions and restrictions hereof shall run with the Property for a period of twenty (20) years unless amended as herein provided. After the initial term, this Declaration, including all such covenants, conditions and restrictions shall be extended automatically for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by the Owners of at least seventy-five percent (75%) of the Lots within the Property the subject to this Declaration and filed in the Official Public Records of Real Property of Burnet County, Texas.

IN WITNESS WHEREOF, the undersigned has executed this Declaration on this, the 9th day of November, 2009.

DECLARANT:

Weaton 243 LLC, a Texas limited liability company

By: Wayne Eaton
Wayne Eaton, Manager

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF BURNET

This instrument was acknowledged before me on the 9th day of November, 2009 by Wayne Eaton, Manager of Weaton 243, L.L.C., a Texas limited liability company, on behalf of said limited liability company.

(seal)

Mikki Joy
Notary Public, State of Texas

