

## EXHIBIT B

### RANCHO PAULA VERDE WEST SUBDIVISION RESTRICTIONS AND COVENANTS

The property in the Rancho Paula Verde West Subdivision, as recorded in the plat records of Edwards County, Texas is subject to the covenants hereby made by the developer, (Seller), to-wit:

1. That these covenants are to run with the land and shall be binding on the Purchaser and all persons claiming under him. Purchaser understands that these restrictions and covenants are filed in the Real Property Records of Edwards County, Texas.
2. Hunting of all kinds for all game and other animals, whether on foot or by vehicle, is prohibited on or from roads in Rancho Paula Verde West. **That the above property herein shall not be used for commercial or day lease hunting** nor any manufacturing purposes. There exists a grazing lease on this property. Purchaser understands that livestock may be present on his land and that sources of water on his land that existed when the property was purchased may be used for said livestock. Purchaser has no obligation to continue this lease and may cancel the lease on his property by constructing fencing that meets local standards and is adequate to keep Lessee's livestock off his property and then giving Lessee 30 days advance notice that he wishes to not participate in the lease. If Purchaser desires to remove or alter any existing fences on his property, Lessee shall be notified in advance in order to maintain control of the livestock.
3. The premises shall be used exclusively for agricultural, wildlife management, and residential purposes and no service or merchandise will be offered for sale or hire thereon. Agricultural and ranching operations typical to the area shall not be considered a commercial use for the purpose of these restrictions. Nominal equestrian operations shall not be considered a commercial operation for the purposes of these restrictive covenants. Junkyards, automobile wrecking yards, rifle and pistol ranges, feed lots, packing houses and slaughtering of animals or poultry are prohibited. Premises must be kept neat and orderly. If there is any construction done within the flood plain, a Flood Development Permit issued by Edwards County Flood Plain Administrator must be obtained.
4. That 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.
5. That no structure of any kind (including hunting blinds and/or deer feeders) shall be permitted within 100 feet of any property line. There shall not be placed on said acreage any building or structure nearer than 100 feet from the front or within 100 feet from the side property line and the rear property line.
6. No noxious or offensive activity shall be carried on upon any tract nor shall anything be done thereon which may be or become an annoyance or nuisance to any adjoining tract. No tract shall be maintained or utilized in such a manner as to violate any applicable statute, ordinance or regulation of

the United States of America, the State of Texas, the County of Edwards, if applicable, or any other governmental agency having jurisdiction thereof.

7. No loitering in public/community areas in the subdivision or anywhere other than on your own property. The recreational operation of ATVs or Motorcycles is prohibited on any Rancho Paula Verde Easement Ranch Road and any such vehicles must be operated solely on your own property and must not be a disturbance or nuisance to your adjoining neighbors and subdivision.
8. All sanitary arrangements must comply with all state and local health laws and regulations, and septic tanks must be installed in accordance with standards approved by the Commissioner's Court of Edwards County, Texas. Discharge of sewage from an RV, home or cabin on your property is strictly prohibited and illegal unless it is discharged into a permitted septic system (On Site Sewage Facility – OSSF) installed by a licensed installer.
9. Not more than one residence shall be permitted on any tract. No communal residences shall be permitted.
10. That no commercial swine operation will be permitted.
11. PURCHASER agrees not to impede the flow of water in and to existing water lines, tanks, or troughs that are on his property and grants ingress and egress to persons who need to maintain said improvements and wells which furnish water to the lines, tanks or troughs. Only those Purchers who own an interest in an existing well shall have the right to use water from said well unless water is granted by the owners of the well. Seller will not furnish water to any existing water troughs or tanks.
12. That no tract may be subdivided without the express written consent of the SELLER. This restriction will not prevent the Texas Veterans Land Board (TVLB) from deeding a tract to a veteran for the purpose of a home site.
13. PURCHASER hereby authorizes SELLER and/or Assigns to charge each property owner a maintenance fee of \$5.00 per acre, per year, not to exceed \$500.00 to improve and maintain entrances, roads, community wells, water lines, storage tanks and any other maintenance deemed necessary by the SELLER and/or Assigns in the Rancho Paula Verde West Subdivision. Such charge shall not be assessed against SELLER and/or Assigns. Such charge shall be made by a direct billing to the property owner. If PURCHASER refuses to make said payments, PURCHASER hereby authorizes SELLER, at SELLER'S option, to deduct such charge from payments made by purchase price, principal or interest. It is understood and agreed that this road maintenance charge (if not paid within 60 days of billing date) shall become a lien against the tract being conveyed, permitting SELLER and/or Assigns such rights to enforce said liens as may be set forth in Sec. 51.002 of the Texas Property Code, as amended time to time.
14. Seller or its assigns reserves, and Buyer hereby grants to Seller or its assigns, the right to install and maintain drainage easements, electric service lines, water lines, other utility lines over and upon all

roads, rights-of-way, and along a ten foot (10') easement on each side of the property lines and the right for access across the subject property to said easement. The ten-foot (10') utility easement widens to twenty feet (20') for the period during which utility construction or maintenance is under way. Overhead utility service pole guy wire anchorages may be located outside of the 10-foot utility easement. Additionally if a utility company requires a separate easement document to commence service to another lot using said easements, then Buyer shall not withhold such permission and timely execution of said easement.

15. Buyer agrees to accept on the subject property any flow or flow rates from rainfall or storm water runoff from or to other property that may be developed in the future. No dwelling may be constructed in a flood plain unless it qualifies under the National Flood Insurance Act of 1968.
16. These restrictions shall be considered covenants running with the land and shall bind the purchasers, their heirs, successors, executors, administrators, and if the parties hereto or any of them, or their heirs, successors, or assigns, shall violate, or attempt to violate, any of these covenants or restrictions herein contained, it shall then be lawful for any person or persons owning any property in this subdivision to prosecute any proceedings at law or in equity against the person or persons violating, or attempting to violate, any such covenant or restriction, and either to prevent them or him from doing so or to recover damages for such violation. The Rancho Paula Verde West Property Owners Association shall have the right, after thirty (30) days notice is given, to place a lien on any tract violating any of the above provisions, or to collect any costs incurred in the course of rectifying or cleaning up any proscribed or forbidden condition or activity under these covenants. The cost of placing the lien, including any attorney fees, shall be included in the lien. Any invalidation of any of the covenants or restrictions by judgment or court order in nowise shall effect any of the other provisions, which shall remain in full force and effect.

These covenants shall be binding on all parties and all persons claiming under them until August 1, 2040, at which time said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of a majority of the then owners of the tracts it is agreed to change said covenants in whole or in part.

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Purchaser –

\_\_\_\_\_  
Purchaser –