

Exhibit B - Land Use Restrictions

Definitions

“Applicable Law” means all federal, state and local laws, ordinances, regulations, or rules, applicable to the person, circumstance and/or property described in Exhibit A (the “Property”) addressed in the provision of these Land Use Restrictions in which the term appears.

“Covenants” means the covenants, conditions, and restrictions in these Land Use Restrictions.

“Declarant” means Hawthorne Land, LLC, a Texas limited liability corporation, and its successors and assigns if such successors or assigns.

“Development Period” means the period of time beginning on the date of recordation of these Land Use Restrictions in the Official Public Records of the county or counties in which the Property is located, and ending upon the date of filing of Declarant’s notice of termination of the Development Period in the Official Public Records of the county or counties in which the Property is located.

“Owner” means every record owner of a fee interest of lands within the boundary of the Property, whether in whole or in part, and any later tenant, lessee, or occupant of lands within the boundary of the Property, whether in whole or in part.

“Real Property Records” means the real property records of the county or counties in which the Property is located.

“Structure” means any improvement on the Property, including, but not limited to, a building, barn, garage, storage unit, pool, stock tank, fence, wall, patio or paved outdoor seating area, driveway, and walkway.

“Tract” means a lot of land containing some or all of the Property.

“Vehicle” means any automobile, truck, motorcycle, boat, trailer, or other wheeled conveyance, whether self-propelled or towed.

Clauses and Covenants

A. Imposition of Covenants; Authority of Declarant

1. Declarant is the Owner of the Property described in Exhibit A and imposes the Covenants on the Property. All Owners and other occupants of any portion of the Property by their acceptance of their deeds, leases, agreements or occupancy of any portion of the Property agree that the Property is subject to the Covenants.
2. The Covenants are necessary and desirable to establish a uniform plan for the development and use of the Property to benefit all Owners. The Covenants run with the land and bind all Owners, occupants, and any other person holding an interest in any portion of the Property.
3. Each Owner or occupant of any portion of the Property agrees to comply with these Land Use Restrictions.
4. The restrictions and covenants in this instrument will inure to the benefit of and

be enforceable by the Declarant and any present or future owner of an interest in the Property.

5. Declarant, and their successors and assigns, and any owner of any parcel of the Property, and his or her successors and assigns, may enforce, by any proceeding at law or in equity, all restrictions imposed by this instrument. Any one or more of such persons may sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of or to enforce the observance of the restrictions and covenants, besides ordinary legal actions for damages.
6. FAILURE TO ENFORCE ANY SUCH RESTRICTION OR COVENANT DURING ITS VIOLATION WILL IN NO EVENT BE DEEMED TO BE A WAIVER OF A RIGHT TO DO SO THEREAFTER. NEITHER THE SELLER NOR ANY SUBSEQUENT PURCHASER OR OWNER OF A PORTION OF THE PROPERTY OR PROPERTY ANNEXED SHALL HAVE ANY LIABILITY OF RESPONSIBILITY AT LAW OR IN EQUITY ON ACCOUNT OF THE ENFORCEMENT OF, OR ON ACCOUNT OF THE FAILURE TO ENFORCE, THE RESTRICTIONS. ENFORCEMENT IS A RIGHT BUT NOT AN OBLIGATION.
7. ANY ATTEMPT TO VIOLATE THIS DECLARATION OR ANY VIOLATION OF THIS DECLARATION MAY SUBJECT THE OWNER OR OCCUPANT TO PROSECUTION AT LAW, INCLUDING MONETARY DAMAGES, OR IN EQUITY, INCLUDING INJUNCTIVE RELIEF, BY DECLARANT AND ITS SUCCESSOR OR ASSIGNS, ANY OWNER, OR ANY GOVERNMENTAL ENTITY WITH JURISDICTION OVER THE PROPERTY.

B. Building Lines and Requirements

1. *Building Lines.* The building lines of the Property shall be:
 - a. General – All structures shall be constructed at least 1) 75 feet from the property boundary that is paved road frontage and (2) 10 feet from any boundary line of any Tract containing some or all of the Property (collectively the “Setback Area”). No Vehicles, including without limitation, travel trailers, or other recreational vehicles, may be parked or stored within the Setback Area.
 - b. Not affected by Subdivision – These requirements apply to any Tracts created by the division or combination of any lands containing any portion of the Property.
 - c. Fencing Exception: For this paragraph, fences and walls are excluded from the Building Lines requirements within this paragraph.
 - d. Utility Easement: Grantor reserves a utility easement 30 feet wide along the boundary line of any Tract containing some or all of the Property.
2. *Bridges and Culverts.* Bridges constructed on or over the Property shall have at least 18 inches of clearance, or greater clearance if required by the County or municipality, to the extent allowed by law, where the Property is located.

C. Use and Activities

1. *Permitted Use.* The Property may be used for any lawful use or purpose, including but not limited to short term occupancy of any duration, subject to the limitations of paragraph C(2), below.
2. *Prohibited Activities.* Prohibited activities are—
 - a. any activity in violation of these restrictions;
 - b. any activity prohibited by Applicable Law;
 - c. Livestock and Poultry: Animals, livestock, emu, ostrich, hogs or poultry may be kept, bred, and maintained on any Tract under these conditions:
 - i. All horses, cattle or other livestock or animals shall be kept enclosed on the Tract by suitable fencing.
 - ii. No swine may be bred, kept or maintained on any Tract containing some or all of the Property, except one (1) per acre, owned for personal consumption or show competition.
 - iii. No chickens, turkeys or other poultry may be kept or raised in this project, except twenty-five (25) per acre owned for personal consumption or show competition, but shall be limited to one hundred (100) in the aggregate at any one time.
 - iv. Horses are permitted on the Property.
 - v. Cattle are permitted on the Property, but feed lots and/or slaughterhouses are NOT permitted.
 - vi. Each Tract shall be maintained in such a manner as to prevent health hazards and shall not be offensive or otherwise constitute a nuisance to the neighboring Tracts.
 - d. Garbage & Refuse Disposal: Each Tract including any improvements on the Tract shall be maintained:
 - i. No Tract shall be used or maintained as a dumping ground for rubbish. Trash, garbage and other waste shall not be kept except in sanitary containers. Each Owner shall be responsible for disposing of all trash, garbage and rubbish in a sanitary manner and in a location provided for that purpose by a local governmental authority (i.e., a landfill or other location dedicated to the collection and disposal of trash, garbage and other waste).
 - ii. Sewage Disposal. All dwellings placed on the Property 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. The system must be maintained at all times so as to not cause an environmental hazard or smell.
 - iii. No outside, open or pit type toilets will be permitted on the

Property.

- iv. All dwellings constructed on this Property, prior to occupancy, must have a sewage disposal system installed.
- e. Vehicles and motor homes: A Tract shall not be used as a storage or salvage yard for vehicles or motor homes, or as a mobile home, manufactured home, recreational vehicle, or motor home park or similar facility, whether operating or not.
- f. Other Prohibited Uses: 1) Smelting of iron, tin, zinc or other ores refining of petroleum or its products; 2) industrial use, including, without limitation, heavy manufacturing, fabrication facilities and testing facilities; 3) resale or pawn shops, flea markets, or bankruptcy, fire sale or auction business; 4) a tavern, bar, or nightclub, or any other similar establishment; 5) an adult bookstore or other establishment selling, renting or exhibiting pornographic materials or any sexually oriented business; 6) any sexually oriented business, as the term is generally construed, or 7) commercial skeet, trap, pistol or rifle range.
- g. Nuisances: No noxious or offensive activity shall be carried on upon any Tract, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Property.
- h. Further Subdivision: No Tract may be further subdivided so it creates a Tract that is less than one (1) acre. No Tract may be further subdivided unless there are no liens on the Tract. Subdivision of any tract may trigger additional platting and subdivision regulations of the County or municipality.
- i. any storage of—
 - i. items that constitute a threat to the safety of persons or property, including toxic or volatile chemicals, unless they are customarily used in the business operated on the Property, and are properly used and stored in accordance with manufacturer's directions, industry standards and best practices, to mitigate the risk of harm.
- j. Billboards. No billboards shall be erected on the Property. All other signage must comply with any regulations imposed by the County or municipality to the extent allowed by law.
- k. Damaged Structures. Any Structure that is damaged to the extent that repairs are not practicable must be demolished and removed within two-hundred seventy (270) days and the Tract restored to a clean and orderly condition. Any repairs, replacements or reconstruction must be substantially similar to the original construction.
- l. Manufactured Homes, Nobile Homes and Trailers. Any manufactured home, mobile home, or trailer moved onto, installed, or stored on the Property on W. Bayshore Road must be less than 5 years old as of the date it is moved onto or installed on the Property. Any manufactured home,

mobile home, or trailer moved onto, installed, or stored on the Property on Eagle Road must be less than 10 years old as of the date it is moved onto or installed on the Property. Additionally, such manufactured home, mobile home or trailer must be, 1) skirted (i.e. coverings at the base of the manufactured home, mobile home or trailer must be installed that covers the blocks that the mobile home or trailer sits on) within 90 days of the date they are moved into or installed on the Property, 2) be tied down and anchored when not in transit, and 3) be connected to public or private utilities at all times when not in transit. No manufactured home, mobile home, or trailer may be installed without the Owner first obtaining all permits required by the State of Texas relating to the installation of a manufactured home, mobile home or trailer. Manufactured home, mobile home, and trailer parks are not permitted.

- m. Broken Down Appliances, Vehicles, etc. No broken down, dilapidated, obsolete or junk vehicles, old appliances, trash, or unsightly material of any kind may be kept or maintained on the Property, unless stored in the dwelling or other Structure.

D. Amendments

The Owners of two-thirds (2/3) of the total number of lots then contained within the Property always have the power and authority to amend these Covenants and land use restrictions, in whole or in part, at any time and from time to time; provided, during the Development Period no amendment is effective unless and until approved in writing by Declarant.

E. Subordination

No breach of the covenants or other restrictions in this instrument will defeat or render invalid the lien of any deed of trust made in good faith and for value on the Property or any parcel in it; provided, however, that such covenants or other restrictions will bind any owner whose title is acquired by foreclosure, trustee's sale, or otherwise.

F. Binding Effect

The restrictions in this instrument will run with the land and will bind all persons having any right, title, or interest in or to the Property or any part of such property, and their heirs, successors, and assigns.