

EXHIBIT B
COVENANTS & CONDITIONS

Seller, as a condition of sale, creates these covenants and conditions affecting the Property described in the attached deed, which shall run with the land in perpetuity.

1. Single Family Residential, Agricultural, or Recreational Use Permitted. Owners may only use the Property for single-family residential, agricultural, or recreational purposes as limited herein.
2. Dwellings and other Structures Allowed. No building, other than private dwellings arranged for the occupancy for not more than one family and consisting of not less than 1500 square feet of living space exclusive of any garage and breeze-way shall be erected, altered, placed, or permitted to remain on the Property. Detached garages, workshops, and barns (collectively called "Other Buildings") may be constructed on the Property before or after the principal dwelling is built. Other buildings must be constructed soundly, kept in good repair, and are not used for residential purposes. The term "dwelling" includes barndominiums (metal buildings with inside living quarters). Modular homes or any size, Mobile homes of any size or "tiny homes" under 600 square feet are not dwellings for the purposes of this paragraph. Buildings or structures of any type built off-site and more than twelve (12) months old may not be placed upon the Property. As used herein, the term "residential purposes" shall be construed to prohibit the use of the Property for duplex houses, condominiums, apartment buildings, and other multi-family type structures. The Property shall not be used for business, educational, religious, or professional purposes of any kind whatsoever, nor any commercial or manufacturing purposes, except as provided herein. Any construction project commenced shall be completed as to exterior finish and appearance within twelve (12) months from the construction commencement date. A maximum of one (1) dwelling unit per five (5) acres is allowed. A maximum of one (1) Other Building per five (5) acres is allowed.
3. Location of Structures and Improvements. No building or structure, temporary or permanent, of any kind, including deer stands, shall be on the Property nearer than one hundred (100') feet to any side or rear Property line, or nearer than one hundred fifty (150') to any boundary line located on the side closest to or abutting a public right of way. In measuring for the required setback line location from the Property line that abuts a public right of way, any strip of the Property protruding from the primary tract (such as a "flag" for access) and less than one-hundred (100') feet in width shall not be used as a beginning point. The setback will be calculated, beginning from the primary boundary line without regard to the protruding access "flag."
4. Temporary Housing. The owner may use a tent, camper, RV, or travel trailer for temporary residential purposes.
5. Prohibition of Offensive Activities. Without expanding the Property's permitted use, no activity shall be conducted on the Property, whether for profit or not, not related to single-family residential, agricultural, or recreational purposes. No noxious or offensive activity

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of any sort shall be permitted, nor shall anything be done to the Property which may become a nuisance.

6. Specific Prohibited Activities and Uses. These uses are not permitted: 1) any use that is unlawful; 2) any use reasonably offensive because of odor, gas, fumes, dust, smoke, noise, pollution or vibration or that otherwise constitutes a nuisance or is hazardous from excessive danger of fire or explosion; 3) dumping, disposal, incineration, or reduction of garbage, sewage, dead animals, or refuse; 4) Smelting of iron, tin, zinc or other ores refining of petroleum or its products; 5) storage in bulk of used materials, a junkyard, a scrap metal yard, or auto salvage yard; 6) industrial use, including, without limitation, heavy manufacturing, fabrication facilities and testing facilities; 7) resale or pawn shops, flea markets, or bankruptcy, fire sale or auction business; 8) a tavern, bar, nightclub, or any other establishment selling alcoholic beverages for on premises consumption; 9) an adult bookstore or other establishment selling, renting or exhibiting pornographic materials or any sexually oriented business; 10) any sexually oriented business, as the term is generally construed; 11) parking and/or storage of large vehicles, such as tractor/trailers and 18-wheelers, or 12) commercial skeet, trap, pistol or rifle range.
7. Sewage Disposal. All dwellings placed on the Property must have a working septic tank or other sewage disposal system to meet all laws, rules, standards, and specifications. All such dwellings must have working water and electricity. Property Owners or Residents will maintain the system to prevent an environmental hazard or smell. Property Owners or Residents will not place outside, open, or pit type toilets on the Property. All dwellings constructed on this Property before occupancy must have a sewage disposal system installed. No outside toilets, such as a "port-a-can," shall be allowed except during ongoing construction, and even when permitted, the outside toilet shall not be in public view.
8. Creation of Utility Easements. Seller reserves and dedicates a utility easement twenty (20') feet in width inside and adjacent to the Property boundary line and along the entire perimeter of the Property.
9. Easements. All utility easements reserved in the deed to which these restrictions are attached or in these restrictions will be for public use. These easements allow holders to construct, maintain and repair a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utility across or under the Property. Any utility company serving the Property or any Utility District serving the Property may enter upon any utility easement for installing, repairing, and maintaining their respective facilities. No utility company, water district, political subdivision, or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees, and lawns or any other Property of the owner on the Property covered by the easements.
10. Garbage and Trash Disposal. Owners and residents will not dump garbage and trash or other refuse accumulated on the Property at any place upon the Property or adjoining land to create a nuisance to any residence. The Property shall not be used or maintained as a

dumping ground for rubbish. Trash, garbage, or other waste may not accumulate, and will be kept in sanitary containers, and will be disposed of regularly. Owners or Residents will maintain all garbage and trash equipment used for storage or disposal in a clean and sanitary condition.

11. **Junked Motor Vehicles Prohibited.** The Property shall not be a depository for abandoned or junked motor vehicles. An abandoned or junked motor vehicle is one without a current, valid state vehicle inspection sticker and license plate. Junk of any kind or character, or dilapidated structure or building of any kind or character, shall not be kept on the Property. Owners or Residents may park personal campers, boats, tractors, farm or recreational vehicles in good and usable condition on the Property.
12. **Permitted Agriculture Uses.** Residents and Owners may use the Property to produce agricultural products such as vegetables, grains, hay, fruits, fibers, wood, trees, plants, shrubs, flowers, and seeds if such agricultural uses and activities do not create a nuisance. The harvesting of any crop or agricultural product shall not be a nuisance.
13. **Permitted Livestock and Animals.** Owners and Residents may keep and breed animals, including livestock, swine, emu, ostrich, poultry, and fowl on the Property under these conditions:
 - a) Livestock or domestic animals of any type may not run loose except properly contained upon one's property;
 - b) Dogs, cats, and other domestic animals provided they are not kept or bred in commercial quantities and below any other maximum numbers provided for herein;
 - c) All livestock and domestic animals shall be kept quiet, or if impossible, permanently removed from the Property.
 - d) Owners and Residents will maintain suitable fencing to enclose all horses, cattle, emus, ostriches, goats, dogs, or other livestock and domestic animals;
 - e) No Owner or Resident may breed or maintain swine on the Property, except for swine used for a 4-H or FFA school-sponsored program and with a maximum of twelve (12) swine total allowed upon the Property at one time. No swine may be housed or kept within one hundred (100') feet of the Property boundary line.
 - f) Chickens, turkeys, ducks, geese, or other poultry and fowl may be kept or raised on the Property but shall be limited to one hundred (100) in the aggregate at any one time upon the Property. No poultry or fowl may be housed or kept within one hundred (100') feet of the Property boundary line.
 - g) No more than one (2) large livestock or animal per each one (1.0) acres shall be permitted upon the Property unless specifically allowed by another section herein. "Large livestock or animal" shall include, but not be limited to cows, sheep, goats,

llamas, emus, ostriches, donkeys, horses, or any livestock or animal with an average weight of eighty-five (85) pounds or greater at maturity.

- h) Any livestock or animals not included in the definition of "large livestock or animal" above or specifically addressed otherwise shall be limited to a maximum of fifty (50) in the aggregate.
 - i) Inherently dangerous animals, such as lions, cougars, tigers, wolves, or bears, shall not be housed upon the Property.
 - j) Though horses are permitted, public stables or boarding of horses are not permitted;
 - k) Though cattle are permitted, feedlots are not permitted;
 - l) The premises shall always be maintained in such a manner as to prevent health hazards and shall not be reasonably offensive to the neighboring landowners.
14. Mining Operations Prohibited. Owners or Residents may not commercially quarry or mine clay, sand, gravel, iron ore, or similar materials on the Property.
15. Off-site Use of Water Prohibited. Water shall not be produced from the Property and transported or used off of the Property. This prohibition includes water rights associated with the Property even when produced from neighboring or other properties. Use of water upon the Property associated with any single-family residential, agricultural or recreational permitted is allowable if said use is not wasteful according to commonly accepted standards.
16. Limited Subdividing Allowed. No Property Owner shall subdivide the Property into a tract smaller than five (5) acres.
17. Drainage. No interference with the established drainage pattern over, on, and through the Property is allowed if it will negatively affect the adjoining lands by causing flooding or generally not allowing water to drain properly.
18. Walls and Fences. Fencing is allowed along the Property line. All fencing constructed may be subject to potential damage or removal related to the use of the easements along the perimeter. Electric fences may be used on interior fences or the interior side of an exterior fence only. Temporary fences shall be permitted during the construction of improvements. All fencing shall be constructed in a neat and orderly fashion.
19. Antennas and Satellite Dishes. No electronic antenna or device for receiving or transmitting any signal shall be erected, constructed, or placed upon the Property that exceeds twenty-five (25') feet in diameter.
20. Discharge of Firearms. Firearms shall not be discharged within one-hundred (100') feet of the Property perimeter boundary line.

GENERAL PROVISIONS

21. Term. The provisions hereof shall run with the Property in perpetuity.
22. Annexation of Additional Property. Seller shall have the right, but not the obligation, to annex additional Property by reference to be included within these Restrictions. Any Owner of the original Property or the additional Property later annexed may enforce the restrictions as to any other Property included.
23. Enforcement of Restrictions. If any person or entity, whether or not lawfully in possession of any portion of the Property, shall either (i) violate or attempt to violate any restriction or provision herein or (ii) suffer from being violated (regarding the real property in which such person or entity has rights other than the rights granted by this sentence) any restriction or provision herein, it shall be lawful for any person or entity, as defined, possessing rights regarding any portion of the Property or a portion of any other Property later annexed to these Restrictions or the Seller or Seller's successors or assigns, to prosecute any proceedings at law or in equity against any such person or entity violating, attempting to violate or suffering to be violated any restriction or provision herein to (i) prevent such violation, (ii) recover damages or other dues for such violation, and (iii) recover court costs and reasonable attorney's fees in such proceedings. "Person or entity," as used in the preceding sentence hereof, shall include, but shall not be limited to, all owners and purchasers of any portion of the Property, and heirs, devisees, assignees, legal representative, and other persons or entities who acquire the rights (regarding the real property) of the owner or purchaser of any portion of the Property. 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.
24. Severability. Each provision of the Restrictions shall be deemed independent and severable. The invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion thereof shall not affect any other provision's validity or enforceability.
25. Liberal Interpretation. The Restrictions shall be liberally construed as a whole to effectuate the purpose of the Restrictions.
26. Successors and Assigns. The provisions hereof shall be binding upon and inure to the Owners' benefit, and their respective heirs, legal representatives, executors, administrators, successors, and assigns.
27. Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof shall affect the lien of any mortgage or deed of trust or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder

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of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien, or deed of trust may, nevertheless, be enforced under its terms, subject, nevertheless, to the provisions herein contained.