RESTRICTIVE COVENANTS

WHEREAS, Karr Canyon Estates, Inc., is the owner of the following described real estate in Otero County, New Mexico to wit:

A tract of land described on Exhbit "A" which exhibit is attached hereto and incorporated herein as if set forth in full, commonly designated as "Karr Canyon Estates"; and

WHEREAS, said "Karr Canyon Estates, Inc." desires to place certain restrictions in regard to the buildings and imrovements thereon and other matters as hereinafter set out upon and against all property in the subdivision as shown in Exhibit "A" attached hereto.

THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT: Karr Canyon Estates, Inc. hereby declares and agrees with all future purchasers of lots in "Karr Canyon Estates" that the following restrictions apply to all lots or buildings and all conveyances of any lot or lots in the above named subdivision shall be subject to certain restrictions as follows:

1. No commercial activities shall be cnducted on any lot other than occupations or professions conducted by a member or members of a family residing upon the premices wherein such activities are not a nuisance or annoyance to the neighborhood and provided that no electrical or mechanical equipment, machinery or materials are used in a manner to create a nuisance or disturbance to the neighborhood.

2. In no event shall any noxious, dangerous, hazardous or offensive activity be carried on or upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

3. The construction of any structure, including the main building and all appurtenances thereto, shall be subject to a 30 foot setback from property lines or easements.

4. Animals shall be permitted for domestic purposes only. Specifically, there shall be no more than two horses per acre, one goat per acre, one pig per acre, one cow per acre. Unweaned animals with their mothers shall not be considered an animal unit. For purposes of this paragraph, the acerage shown on the original plat of Karr Canyon Estates in the records of Otero County shall be rounded to the nearest whole acre to determine the number of animals permitted. The premices shall not be used for a commercial kennel for dogs or cats. Animal waste and manure shall not be allowed to accumulate on the lot or in barns, stables or corrals. All animals, including dogs, shall be confined to the property and no animal shall be permitted to run at large. Animals shall be fenced to prohibit the animals from being within 30 feet to adjacent lot lines or easements.

5. No lot shall be divided in more than two parcels and no parcel shall be less than nine tenths (0.9) acre.

6. No building or structure shall be erected or altered on any lot unless the same is done in good and workmanlike manner and such building or structure shall be maintained neat in outward appearance. Exterior walls of any buildings and improvements shall be constructed of masonry or stucco or new wood siding, and all exposed wood surfaces shall be painted with at least two coats of good quality paint or sealant.

7. All structures shall conform to the following:
   a. Only single family residences and outbuildings providing services thereto shall be allowed.
   b. Residences shall be a minimum of 1000 square feet living area or 800 square feet living area on the ground floor of a multi-storied residence.
   c. All structures shall be placed on a permanent foundation.
   d. Any structure with metalic exterior siding shall have a non-metalic appearing exterior surface coating.
   e. If exterior walls are of wood, the structure shall have adequate roof overhang to protect the siding.
   f. Structures which are not on-site built must have a ratio of the basic structure´s length at its longest point to the basic structure´s width at its widest point not to excede 2.5 to 1.
   g. Mobile homes shall be allowed for a period not to exceed 15 months from the time of their placement on a lot until their removal. Such mobile homes are allowed only for the purpose of residence during the construction of a permanent residence and shall be allowed in variance to sections a. through f. above. Such mobile home must be skirted.

8. No more than two single family residences shall be allowed per parcel.

9. Non-functional motor vehicles shall not be stored on any lot unless enclosed completely in a structure that conforms with paragraph 7.

10. Adequate ground cover vegetation and trees shall be maintained to prevent undue soil erosion and to preserve the natural beauty of Karr Canyon Estates. Natural watercourses and drainage shall be maintained so as to not adversely affect any other landowner or subdivision roads.

11. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers with tight fitting lids.

12. No excavation shall be made on said property for the purpose of obtaining sand, rock, clay, dirt or gravel, whether for profit or otherwise. Building site excavation may be made to the extent necessary for construction.

13. Buyers agree to maintain the premises in a reasonably clean condition and keep said premises free from litter, junk or other objects of unsightly nature.

14. Butane tanks and water storage tanks must conform to state and/or county codes and must be discreetly located to minimize or preclude their intrusive characteristics upon the view of other property owners.

15. Lot owners shall install corrugated galvanized culvert, minimum diamater fifteen inches (15") with a minimum of twelve (12") inches of cover, at all driveways constructed by lot owner, wherever required for proper drainage at connection to road. Driveways shall be constructed in such a manner that drainage therefrom will not erode or deposit material on any road surface.

The covenants and restrictions are to run with the land and shall be binding on all parties and all persons claiming under them.

If the parties hereto, or any of them, or their heirs or assigns, shall violate or attempt to violate any of the covenants or restrictions contained herein, it shall be lawful for the property owners, their successors or assigns, in said development or 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 him or them from so doing or to recover damages or other dues for such violation, including reasonable attorney fees for bringing such action.

Invalidation of any one of these covenants by judgement or court order shall in no way affect any of the provisions which shall remain in full force and effect.

These restrictive covenants may be altered, amended or replaced by a two-thirds (2/3) vote of the owners of a fee or equitable title, when purchased under a contract, with each owner being entitled to one (1) vote per lot. The lots shown on the original plat of Karr Canyon Estates filed in the records of Otero County shall be the lots entitling the owner one vote. If a lot is later divided that lot shall be entitled to only one vote. For the purpose of determining ownership, such ownership will be deemed to have vested upon delivery of a duly executed deed or contract to the grantee or vendee. The legal title retained by vendor selling on a conrtact shall not qualify such vendor as an owner. When more than one person holds such ownership in a lot, the vote of such lot shall be exercised as they may among themselves determine, but in no event shall more than one (1) vote per lot be cast.

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Adopted this seventh day of April, 1986.

KARR CANYON ESTATES, INC.

BY: Joseph W. Chambers
Joseph W. Chambers, President

Sara J. Chambers
Sara J. Chambers, Secretary

Corporate Acknowledgement

STATE OF NEW MEXICO)
) SS
COUNTY OF OTERO)

On this Seventh day of April, 1986, personally appeared Joseph W. Chambers, President, and Sara J. Chambers, Secretary, Karr Canyon Estates, Inc., on behalf of said corporation, known to me to be the persons who executed the foregoing instrument, and they acknowledged that they executed said instrument as their free act and deed.

Witness my hand and seal on this day and year last written above.

OFFICIAL SEAL
Signature
NOTARY PUBLIC
NOTARY PUBLIC-NEW MEXICO
NOTARY BOND FILED WITH SECRETARY OF STATE
My Commission Expires

My Commission Expires: 11-18-89

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