

SECTION TWO

RESTRICTIONS

1. This land will NOT be used for the purpose of: (1) raising any kind of animals or fowl for commercial purposes, only one hog per acre will be allowed, and that no offensive noises or odors will arise therefrom; (2) a slaughter house of any type; (3) a dumping ground for rubbish, trash, or junk; (4) mining of sand, gravel, caliche, fill dirt, or top soil; (5) an automobile storage area, junk yard, automobile repair garage, or the housing of stripped down, partially wrecked, or junk motor vehicles, or sizable parts thereof. All automobiles must be in running condition or be licensed with a current license plate.

No structure of temporary character, tent, shack, garage, barn, or other outbuilding shall be used as a residence. All houses, mobile homes, sheds and/or buildings must be placed parallel or perpendicular to the existing lot lines. All buildings must be set back at least 50 feet from the roadway. No single family residence exclusive of open porches, garages and carports, shall be less than seven hundred (700) square feet in main floor area. All purchasers wishing to build a residence must first obtain a building permit from the State of New Mexico and written approval of the building plans from the subdivider. All homes must be placed on a 2' pad built up from the existing ground level. Said residence must be completed within one year of the date of said permit. Only one residence will be permitted on said lot. All manufactured housing must be tied down and skirted within 90 days of being placed on the lot. All barns, sheds, corrals, and/or pens must be situated on the back half of the lot. No animals will be allowed to run at large. All lavatories, toilets and bath facilities shall be built indoors and connected with adequate septic tanks. All parcels, whether occupied or unoccupied, and any improvements placed thereon shall at all times be maintained in such manner as to prevent their becoming unsightly by reason of unattractive growth on such parcels or the accumulation of rubbish or debris thereon. Any dwelling or outbuilding on any parcel which may be destroyed in whole or in part by fire, windstorm or for any other cause or act of God must be rebuilt or all debris removed and the parcel restored to a sightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than ninety (90) days. No public nuisance or offensive, noisy, or illegal trade or calling or act shall be done, suffered or permitted.

Exhibit A

SECTION THREE

1. In the event of any violation or threatened violation of any of the covenants herein, any owner of any lot, block or parcel in the subdivision may bring action at law or in equity, either of injunction, action for damages or such other remedy as may be available. In the event that a judgement is obtained, the owner shall also be entitled to recover from such person reasonable attorney's fee.

2. The failure by any land owner to enforce any restrictions, conditions, covenant, or agreement herein contained shall in no event be deemed to waiver of the right to do so thereafter as to the same breach or as to one occurring prior or subsequent thereto, nor shall such failure give rise to any claim or cause of action against The Company or Land Owner. Violation of any one or more such covenants may be restrained by any court of competent jurisdiction, and damages awarded against such violator.

3. If any provisions of this indenture or the application of such provision to any person or circumstances shall be held invalid, the remainder of this indenture or the application of such provision to person or circumstances other than those as to which it is held invalid, shall not be affected thereby.

4. The purpose of the foregoing restrictions is to maintain a high standard of living conditions in the subdivision. In order to accomplish this purpose and objective, it shall be the right and privilege of any property owner of the subdivision to enforce such restrictions in any manner provided by law. In the event of a violation or attempted violation of any such restrictions by any purchaser, The Subdivider shall not be responsible in any way, financially or otherwise.

Executed at Chaparral, New Mexico, this 5th
day of December, 1994.

Ted D. Merrill

Di-Te Hqg Ltd., a New Mexico Partnership
Ted D. Merrill Partner

Diane K. Merrill

Diane K. Merrill, Partner

Ralph G. Merrill

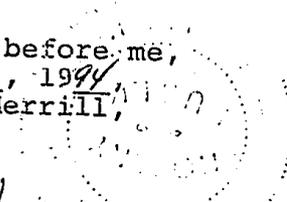
Ralph G. Merrill, Partner

STATE OF NEW MEXICO
COUNTY OF OTERO

The foregoing instrument was acknowledged before me,
this 5th day of December, 1994,
by Ted D. Merrill, Diane K. Merrill, Ralph G. Merrill,
for Di-Te Hog Ltd., a New Mexico Partnership.

My Commission Expires:
1-6-96

Patricia R. Wright
Notary Public



STATE OF NEW MEXICO }
OTERO COUNTY } S.S.

FILED FOR RECORD IN MY OFFICE

This 30th day of May, 1995
At 11:15 o'clock A. M. recorded
in Book No. 803 Page 924-927

the records of Otero County, New Mexico

Mary D. Quintero
County Clerk, Otero County, New Mexico

By Christina N... Deputy
4167

Exhibit A