

Legal and Restrictions

PORTRILLO CREEK RANCH SUBDIVISION

RESTRICTIONS AND PROTECTIVE COVENANTS

WHEREAS, Ranch Enterprises, Ltd., a Texas Limited Liability Partnership, hereinafter called Developer, has established the Subdivision in Guadalupe County, New Mexico known as Portrillo Creek Ranch Subdivision and has dedicated to such Subdivision all the lots, tracts and parcels of land shown on that certain map or plat filed for in the Map and Plat Records of Guadalupe County, New Mexico to which reference is here made for all purposes.

WHEREAS, Developer has established the Subdivision by carrying out a general uniform plan of development and improvement of the Portrillo Creek Ranch Subdivision to insure and maintain its suitability for private recreational and residential purposes, to protect and benefit each and every purchaser, owner or grantee of herein and enhance the value of the land located in said subdivision.

NOW, THEREFORE, Portrillo Creek Ranch Subdivision is subject to the covenants, restrictions, and conditions, to wit;

1. Covenants Running With the Land. These restrictions and covenants shall run with the land and shall be fully binding upon all persons acquiring property in said subdivision whether by descent, devise, purchase, assignment, contract or otherwise, and any person by the acceptance of any Tract or parcel of land or entering into a contract for the purchase of the same shall thereby agree and covenant to abide by, and fully perform all the foregoing restrictions, covenants, and conditions. These covenants shall be binding for a period of thirty (30) years from the date they are filed for record in the Deed Records of Guadalupe County, New Mexico, unless changed or amended as provided herein. Said covenants shall be automatically extended upon the expiration of said term of successive periods of ten (10) years each. The record owners of legal title of fifty-one (51%) percent of the Tracts in all phases of the subdivision as shown by the Deed Records of Guadalupe County, New Mexico, may amend or change the said covenants in the whole or part at any time. Any change or amendment shall be set forth and evidenced by a successor instrument bearing the signatures of the requisite number of record owners and recording of the same in the office of the County Clerk of Guadalupe County, New Mexico. A copy of any change or amendment to these Restrictions or Covenants and Conditions shall all be forwarded by prepaid mail to all owners by the Developer. Failure to furnish and copy shall not affect the validity of such amendment.

2. Non Commercial Use of Tracts. No Tract, or improvement thereon, shall be used for any commercial purpose, except that nothing herein shall be construed to prevent a purchaser from rendering professional services of purely personal nature so long as such services do not attribute to the Tract any appearance of a commercial use. Developer has the right to final decision on what constitutes commercial purpose.

3. Hunting. Hunting is allowed in Portrillo Creek Ranch Subdivision. Hunting blinds and feeders of all types may not be placed within 200 feet of road easements or 100 feet from side and back property lines. No hunting blinds of any type over 12 feet tall will be allowed. Hunting of all kinds for all game or other animals, whether on foot or by vehicle, is prohibited on or from roads in Portrillo Creek Ranch. No Tract shall be used for commercial or day lease hunting.

4. Livestock; 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. Purchaser agrees not to impede the flow of water in 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. No feed lots shall be allowed nor the raising of game or fighting roosters. No commercial swine operation shall be permitted.

5. Size and Type of Building Used as Permanent Residences. Permanent residence is defined as any dwelling which is occupied for 200 days or more in a calendar year. Not more than one single family permanent residence shall be placed or constructed on any tract of the land herein contracted or conveyed.

A. Conventional on site construction single family permanent residence;

Each dwelling must be new construction and shall not be less than 1000 square feet of heated and air-conditioned space, exclusive of garages, carports and porches. All dwellings must be completed within 360 days after laying foundations. A permanent residence may not be lived in or occupied until the permanent residence is 100% complete.

B. Move-on housing such as manufactured homes, modular homes and all other Move-on Homes;

1. New Manufactured Dwelling Houses (or houses which are not more than five years old) of not less than one thousand (1000) square feet are permitted.

2. All manufactured homes must have their towing devices, axles and wheels removed, and must be placed on a slab, blocks or piers and anchored to the land.

3. All manufactured homes must be completely enclosed from the ground level to the lower portion of the outside wall within 60 days after placement on the property with skirting such as hardy panel, masonry, plaster, brick, stucco or other fabricated material specifically approved for the purpose of enclosing manufactured homes, so as to maintain a neat, harmonious appearance. Lattice skirting is not acceptable. Back filling is allowed.

4. Unless back filled, a front deck built of weather resistant wood shall be installed within 180 days of the installation of a dwelling. The porch shall be a minimum of 6 feet by 12 feet and shall have railings and banisters at all appropriate places.

6. Size and Type of Building Used as Weekend Residences.

Weekend residence is defined as any dwelling which is occupied for less than 200 days in a calendar year.

A. Conventional on site construction of Weekend Residences;

Each dwelling must be new construction and shall not be less than 500 square feet. All dwellings must be completed within 360 days after laying foundations.

B. Move-on housing such as manufactured homes, modular homes and all other Move-on Homes;

1. New Manufactured Dwelling Houses (or houses which are not more than five years old) of not less than five hundred (500) square feet are permitted.

2. All manufactured homes must have their towing devices, axles and wheels removed, and must be placed on a slab, blocks or piers and anchored to the land.

3. All manufactured homes must be completely enclosed from the ground level to the lower portion of the outside wall within 60 days after placement on the property with skirting such as hardy panel, masonry, plaster, brick, stucco or other fabricated material specifically approved for the purpose of enclosing manufactured homes, so as to maintain a neat, harmonious appearance. Lattice skirting is not acceptable. Back filling is allowed.

4. Unless back filled, a front deck built of weather resistant wood shall be installed within 180 days of the installation of a dwelling. The porch shall be a minimum of 6 feet by 12 feet and shall have railings and banisters at all appropriate places.

B. RV's and Tents. RV's are defined as motor homes, travel trailers, pop up campers, etc..

Rv's can be maintained on Tracts in the subdivision as weekend residences. Rv's may not be used as primary residences, but can be left on the property. Tents must be dismantled and stored when not in active daily use. All Rv's and tents must adhere to the setback requirements.

7. Setback Requirements. Under ordinary topographical circumstances, all permanent residences, weekend residences, new factory built mobile homes, garages, carports, decks or any other buildings will be required to be set back 200 feet from roadways bordering the Tract. All permanent residences, new factory built mobile homes, garages, carports, decks or any other buildings will be required to be set back 200 feet from side tract lines and 200 feet from the back lines.

8. Decks and Patios. All decks and patios shall contain only furniture and appliances customary for use on decks and patios, such as grills, smokers, deck furniture, hot tubs, etc. Decks and patios may not be used for storage, or for placement for refrigerators, freezers, household appliances, etc.

9. Sanitation and Sewerage. No outside toilets will be permitted or maintained on any Tract and all plumbing shall be connected to a sanitary sewer or septic system approved by the State and local Department of Health. No well or septic system may be placed within 100 feet of any property line.

10. Trash and Garbage. No trash, garbage, construction debris, or other refuse may be dumped or disposed or allowed to remain upon any Tract, vacant or otherwise.

11. Unused Vehicles and Commercial Vehicles. The storage of junked, abandoned or wrecked items such as motor vehicles, boats, or other equipment or materials shall not be permitted on any Tract. No eighteen wheel trucks or other large commercial type vehicles will be allowed to park along the roads in the subdivision.

12. Noxious Activity. ;;No noxious or offensive activity shall be carried on or maintained on any Tract, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood in the Subdivision. All Tracts must be kept in a neat and clean condition.

13. Signs. No sign or advertising device may be displayed on any Tract except in the event of sales. There may be one for sale sign with no more than five (5) square feet.

14. Subdividing. Tracts within the Portrillo Creek Ranch Subdivision which are 140 acres in size or larger may be subdivided into Tracts no smaller than 35 acres in size provided that Owner obtains the approval of any and all governmental agencies including Guadalupe County as per New Mexico State and County regulations. Any Tracts created from the division of any Tract shall be treated as any other Tract within Portrillo Creek Ranch Subdivision. (i.e.Restrictions and protective covenants, association fee).

15. Separability of all Terms and Provisions. If any term or provision of this instrument, or the application thereof shall be held invalid all other terms and provisions of this instrument, or the application thereof shall not be affected thereby nor shall any failure of the Property Owners Association to seek enforcement of any term or provision constitute a waiver of any rights to do so in the future or the validity or enforceability of such term or provision.

16. Enforcement. The Developer and every other person, firm, or corporation hereinafter having any right, title, or interest in any Tract or parcel of land in this subdivision shall have the right to prevent the violation of any said restriction by injunction or other lawful procedure and to recover any damages resulting from such a violation. Damages for the purpose of this paragraph shall include court cost and necessary attorney fees.

17. Interpretation. The right is expressly reserved to the Developer and its successors and assigns, to interpret any and all conditions, limitations and restrictions contained in these restrictions but such right shall be without prejudice to the rights of enforcement prescribed in paragraph 16 above.

18. Abatement and Removal Violation. Violation of any restriction or condition or breach of any covenant herein contained gives the Developer and/or assigns or its agents, in addition to other remedies, the right to enter upon the land, and to abate and remove the violation at the expense of the Purchaser or Owner, and said agents shall not thereby be deemed guilty of any manner of trespass for such entry, abatement, and removal.

19. Easements. Perpetual easements are reserved along and within ten (10) feet of the rear line, front line, and side lines of all Tracts in this development for the installation and maintenance of poles, wires, downguys, and fixtures for electric lines and telephone lines; and to trim any tree which at any time may interfere or threaten to interfere with the maintenance of such lines, with the right of ingress and egress from said premises to employees of the utilities owning said lines. Said easements to also extend along any owners side and rear property lines with fractional Tracts. It is understood and agreed that it shall not be considered a violation of the provisions of this easement if the wires or cables carried by such poles passes lines over some portion of said Tracts not within the 10 foot wide strip as long as such lines do not prevent the construction of building any tracts in this development.

20. Association Fees. Purchaser hereby authorizes Developer and/or Assigns to charge each property owner a association fee of \$1.00 per acre, per year, not to exceed \$300.00 to improve and maintain the entrance, roads, community wells (if any) and any other expenses deemed necessary by the Developer and/or Property Owner's Association in the Portrillo Creek Ranch Subdivision. Those tracts of land which front exclusively on a state or county maintained road will be charged an association fee of \$.50 per acre, per year, not to exceed \$150.00. Such charge shall not be assessed against Developer and/or Assigns. Such charge shall be made by direct billing to the property owner. If Purchaser refuses to make said payments, Purchaser hereby authorizes Developer, at Developer's option, to deduct such charge from payments made by Purchaser, and any such charge so deducted will not be credited to the payment on the balance due on the purchase price, principal or interest. It is understood and agreed that this association fee (if not paid within 60 days of billing date) shall become a lien against the tract being conveyed.

21. Property Owner's Association. That at such time as Developer may determine at his sole discretion, the Developer shall have the authority but not the obligation to notify each tract owner of the time, date, and a place of a meeting of all tract owners to be held for the purpose of organizing a Property Owner's Association. A majority of the votes of the Tract owners in attendance at such meetings or by written proxy shall be sufficient to transact business at such meeting. Each Tract owner, including Developer, attending or represented by written proxy at such meetings shall have one vote for each Tract owned by such owner on all business to come before the meeting. Upon the creation and organization of such organization, as non-profit corporation, or otherwise, Developer shall transfer and assign to the association the current balance of the maintenance funds, if any. Thereafter such association shall have the power, authority and obligation to maintain the maintenance assessment. All such assessments upon any tract in the development shall become the personal obligation of the

owners of such Tract and such association is hereby granted a lien upon each lot to secure the payments of such assessments, permitting said association such rights to enforce said liens.

No deviation of any kind shall be permitted from these restrictions and protective covenants unless permission is granted in writing by the Developer