COUNTY TITLE SERVICES INC.

DECLARATION OF ESTABLISHMENT OF RESTRICTIONS FOR TIERRA ENCANTADA SUBDIVISION, PHASE III

KNOW ALL MEN BY THESE PRESENTS:

The undersigned being the sole owners of the following described real estate in Sandoval County, New Mexico:

Tierra Encantada Subdivision, Phase III, located in the Village of Corrales, New Mexico, being and situate within projected sections 21, 22, and 27, Township 12 north, Range 3 east, N.M.P.M., Middle Rio Grande Conservancy District Westerly Projection, Map No. 16, Sandoval County, New Mexico, as the same is shown and designated on the plat of said subdivision filed in the Office of the County Clerk of Sandoval County New Mexico on February 6, 1997 as Document # 2498

Does hereby establish the manner, provisions, and conditions, restrictions and covenants upon and subject to which said property and each and every lot and plat thereof shall be used, improved, occupied, sold and conveyed, and it is declared that henceforth said property shall be used, improved, occupied, owned, sold, and conveyed; subject to the provisions, conditions, restrictions and covenants herein set forth, all of which shall be binding upon and inure to the benefit of the present and future owners of said property and said lots, and all thereof, and all of which shall apply to and bind the respective successors in interest of the present owner and future owners of said property and all thereof, and all of which provisions, conditions, restrictions and covenants are, and each of them is impressed and imposed upon each and every parcel of the herein before described property as a servitude in favor of each and every parcel thereof as the dominant tenements, as follows to-wit:

1. No building will exceed one story with the maximum height being 17 feet, measured from the existing grade of the Lot.

2. All buildings must be set back at least 20 feet from side lot lines, 30 feet from front lot lines and 25 feet from rear lot line.

3. Plantings shall be permitted to grow to a height no higher than twelve (12') feet from the finished floor grade of the residence erected thereon.

4. No noxious or offensive trade or activities shall be carried on in any part of this subdivision, nor shall anything be done thereon which may constitute a nuisance to the neighborhood.

5. No trailer, basement, tent, shack, garage, barn, or other outbuilding erected on the subdivision shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

6. Owners may have horses and chickens but not have hogs, cows, geese, or peacocks; nor, may they keep dog kennels or catteries.

7. No dwelling shall have a ground floor area of the main structure less than 1800 square feet of heated area.

8. No lot shall have more than one (1) single family dwelling on it, and no residence shall house more than five persons unrelated to each other by blood or marriage.

9. All structures shall be finished within nine (9) months from the time the foundation is started.

10. Both private water supply and sewage disposal systems must be approved by health authorities having jurisdiction, stating that such water supply and sewage disposal systems are satisfactory and meet all applicable laws and codes.

11. No hunting, pursuit of game, or discharge of firearms shall be engaged.

12. To comply with New Mexico Environmental Improvement Division regulations, no dwelling shall have more than three bedrooms.

13. D. P. Partners Limited Partnership shall have the authority to unilaterally change, amend or modify these covenants, provided such change, modification or amendment does not materially change the character or quality of the lots subject to these covenants and does not materially increase the number of lots within the described area. In addition, amendments and/or exceptions to these restrictions, covenants and reservations may be made upon written approval of eighty percent (80%) of the owners of the lots in said subdivision, with the owner(s) of each lot being entitled to one vote.

14. Slopes greater than 15% must be left in their natural state, on such slopes livestock grazing is prohibited.

Construction and Architectural Control.

15. Architectural Control Committee:

An Architectural Control Committee for the subdivision is hereby established consisting of the following persons:

Edward O. Paschich Christopher J. Dehler

The Committee shall serve at the pleasure of the Grantor who shall have the right to appoint, reappoint and discharge members of the Committee at will. The Committee may appoint one member of the Committee to act on and for the Committee.

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Each individual member of the Architectural Control Committee employed by or associated with the Grantor, shall become disqualified to serve on the Architectural Control Committee upon termination of such individual's relationship with the Grantor, and shall thereafter have no further rights or obligations thereto; and each such person shall conclusively be deemed to have resigned from the Committee two hundred forty (240) days after the date the Grantor conveys title (legal or equitable) to its last Lot.

The Grantor shall endeavor to give notice of such resignations by recording in the county record in which these restrictions are filed, a notice of such resignation; and shall cause the same to be published as a legal notice in a newspaper of general circulation in the county in which the subdivision is located. Such notice shall be given as soon as practicable after the conveyance of the last parcel, as specified above; however, failure to give such notice shall not extend the term of any member of the Committee, nor shall the Grantor be liable therefore.

In the event no members remain on the Architectural Control Committee, new members to the Committee can be chosen in the following manner: upon the written request of twenty-five percent (25%) of the owners of Lots within the subdivision, a meeting shall be held for the purpose of selecting one or more members of the Committee. Reasonable diligence shall be used to notify the persons owning Lots within the subdivisions of the time and place of the meeting, and the purpose thereof.

At such meeting, up to three persons may be selected as members of the Committee. Each owner shall have one vote, and the three persons receiving the most votes shall be selected as members of the Committee.

16. Construction of Improvements:

(a) Before anyone shall commence on any Lot within the Subdivision the installation of, construction of, remodeling of, addition to, or alteration of, any House or Improvement of whatsoever nature, there shall be submitted to the Committee plans and specifications as follows:

(i) Preliminary or tentative plans and specifications which shall clearly show the nature of the work or installation preliminary or tentative plans shall include sufficient description of materials, colors, textures, etc. as shall enable the Committee to evaluate whether the proposed construction, alteration, installation, etc. will harmonize with the motif and style of the Subdivision and with any guidelines which the Committee has adopted in accordance with paragraph 15(b) hereof; and

(i) Preliminary or tentative plans and specifications which shall clearly show the nature of the work or installation preliminary or tentative plans shall include sufficient description of materials, colors, textures, etc. as shall enable the Committee to evaluate whether the proposed construction, alteration, installation, etc. will harmonize with the motif and style of the Subdivision and with any guidelines which the Committee has adopted in accordance with paragraph 15(b) hereof; and

(ii) After approval of the preliminary or tentative plans, including therein any requirements made by the Committee in the due and proper exercise of its discretion and powers, two complete sets of the final plans and specifications.

(iii) No improvement of any kind, installations, painting or texturing, shall ever be, or permitted to be, erected, constructed, installed, placed or maintained on any Lot within the subdivision, unless and until the final plans, specifications and elevations therefore shall have received written approval of the Committee. All such final plans include plot plans showing the location on the Lot of all improvements proposed to be constructed and/or installed, placed or maintained on the Lot and shall further include elevations, together with the proposed color scheme and textures for roofs and exteriors thereof, indicating the materials for same.

The Committee is authorized to charge not more than $100.00 for review of plans and specifications. Payment of the required charge shall be a part of, and condition to, the submittal of plans and specifications for committee approval.

(b) The Committee shall have the right to adopt further architectural guidelines from time to time which shall provide for further architectural, and/or landscaping standards which have the same force and effect as if those guidelines were included herein. Absent the adoption of guidelines to the contrary, all Houses shall be of a southwestern style.

(c) The Committee shall approve or disapprove within thirty days after receipt thereof plans and specifications which have been submitted to it. One set of plans and specifications, with the Committee's approval or disapproval and requirements endorsed thereon, shall be returned to the applicant and the other copy thereof, with a duplicate endorsement thereon corresponding to the first set, shall be retained in the Committee's files.

In the event that the Committee shall fail to approve or disapprove the plans, specifications and other information within thirty days after receipt thereof by the Committee, then such approval shall be required, provided that no structure, building or other improvement shall be installed, erected, painted, textured, altered or modified which violates any of the Restrictions.

In the event that the Committee shall fail to approve or disapprove the plans, specifications and other information within thirty days after receipt thereof by the Committee, then such approval shall be required, provided that no structure, building or other improvement shall be installed, erected, painted, textured, altered or modified which violates any of the Restrictions.

The Committee shall have the right and power to disapprove any plans, specifications or details submitted to it, if the Committee shall find that the plans and specifications are not in accord with all provisions of this Declaration, or if a design or color scheme submitted is not in harmony and accord with the Subdivision, or if the plans and specifications are incomplete.

(d) If any Improvement or work is completed or done without compliance with the Article, such Improvement or work shall be deemed to have been done in compliance with this article if no action has been commenced to enforce the provisions of the Article against such Improvement or work with on (1) year of its completion.

17. Liability.

Neither the Committee, nor any member thereof shall be liable to any Owner for any damage, loss, or prejudice suffered or claimed on account of:

(A) The approval of any plans, drawings, and specifications, whether or not defective,

(B) The construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications,

(C) The development or manner of development of any property within the Subdivision, or

(D) The execution and recording of an estoppel certificate whether or not the facts therein are correct; provided, however, that the officer executing the certificate, with the actual knowledge possessed by him, as acted in good faith.

Without in any way limiting the generality of the foregoing, the Committee, or any member thereof, may but is not required to, consult with or hear any Owner with respect to any plans, drawings, or specifications, or any other proposal submitted to it.

GRADING & DRAINAGE PROVISIONS

18. Grading and Drainage of Lots.

A. "15% Slopes": The plat of the Subdivision identifies those portions of the Subdivision with slopes in excess of 15% (the "15% Slope Areas"). The 15% Slope Areas may not be graded, cut, filled or disturbed in any manner. The 15% Slope Areas may not be used for grazing to aid in the preservation of vegetation for erosion control.

B. Subdivision Grading and Drainage Plan: The approval of the Subdivision by the Village of Corrales (the "Village") has been conditioned upon the approval of the Drainage Management Plan of Tierra Encantada Subdivision, Phase II prepared by Easterling & Associates dated June, 1995 (the "Subdivision Grading Plan"). A copy of the Subdivision Grading Plan is on file with the Village's Planning and Zoning Administrator. All grading or changes to the topography of any lot must be in conformance with the Subdivision Grading Plan.

C. Lot Specific Grading Plans: Each owner of a lot having a portion of the natural grade of 8% or greater shall be required to have prepared by a licensed New Mexico professional engineer a lot specific grading and drainage plan (the "Lot Specific Grading Plan"). The Lot Specific Grading Plan must demonstrate that all drainage waters generated by development on the lot will be contained within the lot's boundaries. Issuance of a building permit shall be conditioned upon the Village's review and approval of the Lot Specific Grading Plan. The Lot Specific Grading Plan shall be engineered to minimize the required maintenance and minimize the likelihood of the failure of the drainage system in the event of failure to maintain the drainage systems. Engineered walls retaining drainage waters are encouraged rather than drainage ponds.

D. Maintenance of Lot Specific Grading Plan: Each lot owner shall be obligated to maintain their lot, and any drainage facilities associated therewith, including walls, and/or ponds, in conformance with the Lot Specific Grading Plan for the life of the lot.

E. Maintenance of Dedicated Drainage Facilities. The Village shall be obligated to maintain only those drainage facilities which have been identified in the Subdivision Grading Plan as Village responsibility for which easements have been dedicated to the Village and accepted by the Village on the Subdivision plat. Each lot owner shall provide reasonable access to the Village for maintenance of the drainage facilities on dedicated easements, which shall include a gate as least fourteen feet (14') if the drainage facilities are fenced into the lot.

F. Liability. Each lot owner shall be liable to any other persons or the public who incur damages as a result of the lot owner's failure to adhere to the provisions of this Article relating to grading and drainage matters.

G. Enforcement. Each lot owner and the Village shall have the right to enforce the provision of this Article relating to grading and drainage matters, including the right to bring an action for injunctive relief.

19. The Village of Corrales may maintain the drainage structures contained in the public right-of-way, and may enter private property, if necessary, to accomplish this maintenance.

If the parties hereto, or any of them, or their heirs or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in said Subdivision to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenant, and to prevent him from doing so and in addition, to recover damages for violation, and the prevailing party in any action to enforce these covenants shall be entitled to receive its costs and attorneys' fees from the non-prevailing party.

TIERRA ENCANTADA SUBDIVISION, PHASE III
D.P. Partners Limited Partnership,
a New Mexico limited Partnership, and

By: Edward O Paschich
Edward O. Paschich,
General Partner

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANDOVAL)

The foregoing instrument was duly acknowledged before me this 7th day of February, 1997 by EDWARD O. PASCHICH, General Partner of D.P. Partners Limited Partnership, a New Mexico limited partnership, on behalf of said partnerships.

Notary Public

My Commission Expires:
5-4-97

18381

STATE OF NEW MEXICO } SS
COUNTY OF SANDOVAL }
This instrument was filed for record at
3:11 A.M. P.M. on
FEB 17 1997
Recorded in Vol. 400
of records of said county, folio 8575-18381
Clk. & Recorder
By: _____ Deputy

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