



**DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
JAMES VALLEY SUBDIVISION
CIBOLA COUNTY, NEW MEXICO**

KNOW ALL MEN BY THESE PRESENTS THAT THE UNDERSIGNED, BEING THE OWNER OF ALL OF THE TRACTS IN JAMES VALLEY SUBDIVISION, CIBOLA COUNTY, NEW MEXICO, AS SHOWN BY THE PLAT THEREOF FILED IN THE OFFICE OF THE COUNTY CLERK OF CIBOLA COUNTY, NEW MEXICO ON THE 21ST DAY OF APRIL, 2005, IN CABINET C, SLOT 185, BOOK 0014, PAGE 5929, DOES HEREBY DECLARE, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, THAT ALL TRACTS IN JAMES VALLEY SUBDIVISION SHALL BE SUBJECT TO AND ENCUMBERED BY THE FOLLOWING RESTRICTIVE AND PROTECTIVE COVENANTS, AND THAT ALL CONVEYANCES OF SAID PROPERTY, OR ANY PART THEREOF, SHALL BE SUBJECT TO SAID COVENANTS WHETHER OR NOT THE SAME ARE EMBODIED IN THE CONVEYANCES OR OTHER INSTRUMENTS AFFECTING TITLE THERETO

ALL TRACTS ARE SUBJECT TO THE FOLLOWING RESTRICTIONS.

1. Setbacks All buildings shall be set back a minimum of 100 feet from property lines
2. No building zone - there shall be no buildings within 250 feet of either side of right-of-way edge on North Valley Road, James Valley Road and Mason Ranch Road
3. There shall be no subdivision of any Tract for a period of five (5) years from date of purchase of each such Tract Further, no Tract shall be divided or subdivided into tracts of less than 40 Acres in size. No "For Sale" signs shall be erected on any property
4. All fences or walls used as fences shall be constructed in a workmanlike manner and shall be constructed with good quality materials No pallets, tires, sheet metal, tin or other materials deemed "not normal" will be allowed. There shall be no gates or cattle guards constructed across any roads used as common access, except as installed by Grace Family, L L C.. Any fences along roads used as common access must be set at the edge of easement right-of-way
5. Fire damage In the event that any improvement upon any tract in James Valley Subdivision is destroyed wholly or partially by fire or other casualty, the damaged portion of the structure and associated debris shall be removed from the tract by the owner of the tract, or the owner's designee within 90 days after the fire
6. There shall be no offensive use of ATV or recreational vehicles within James Valley Subdivision and such vehicles shall not be operated on the common access roads. ATV and recreational vehicles may be used only on the user's property
7. Junk. No item that would be classified as junk by an ordinary person shall be permitted in James Valley Subdivision, unless it is completely concealed from view Junk includes, but is not limited to, inoperable vehicles, parts from motor vehicles and equipment, industrial parts and supplies, scrap metal, pipe, old containers, salvage materials, refrigerators, freezers and building materials not part of an ongoing project on the lot
8. No singlewide mobile home, temporary or permanent, shall be permitted anywhere within James Valley Subdivision Doublewide mobile homes placed upon a permanent foundation shall be allowed only on Tracts 19, 20, 21 and 22 All other homes shall be built in compliance with the Uniform Building Code This does not prohibit the use of any other structure or vehicle for recreational purposes, provided such structure or vehicle is not used as a permanent residence

9. All homes constructed on a lot shall

(the "Indemnifying Party") shall indemnify the Declarant and the Owners whose Lots are traversed by the road (the "Indemnified Owners") against, and hold them harmless from, all claims, demands, liability, loss and costs, including attorney's fees, asserted against or incurred by the Indemnified Owners, and each of them, in connection with the use of the road for by the Indemnifying Party.

11. Septic systems shall be built, operated, and maintained in accordance with the requirements established for the property by State and County Regulations. The plumbing and water system of any dwelling shall not be used until the sewage and liquid waste disposal system is built and fully operational. No components of a liquid waste system which discharges into a leaching system shall be located within 100 feet of an existing well.
12. There shall be no construction within natural drainage-ways within James Valley Subdivision. The face of cut and fill slopes or graded areas that are subject to erosion shall be prepared and maintained to control against erosion. Any existing dams or dikes must be kept in place.
13. Grace Family LLC, without the joinder of any other owners, shall have the right to amend these covenants and restrictions by an instrument in writing duly signed, acknowledged and recorded for the purpose of correcting any typographical or grammatical error, oversight, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development, and shall not impair or adversely affect the vested property or other rights of any owner or his mortgagee.
14. Each owner shall comply with the Restrictions and shall cause and be responsible for the Owner's family, agents, guests, contractors, employees and any person renting or leasing Owner's home to do likewise. Except as otherwise provided in this Declaration, each Owner, and the owner(s) of the adjacent Existing Headquarters tract (as shown on the plat, located to the west of Tract 11), shall have a right of action against an Owner for failure to comply with any provision of the Restrictions. In the event of any action, suit or proceeding arising from or based on this Declaration brought by any party against any other party subject to this Declaration, the prevailing party shall be entitled to recover from the non-prevailing party his or her attorney's fees and costs in connection therewith.
15. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on the Property. No oil wells, tanks, tunnels, mineral excavations or mine shafts shall be permitted on the Property. No derrick or other structure designed for use in boring for oil, natural gas, or any other substances, with the exception of water for domestic use, shall be created, maintained or permitted on any Tract.
16. All of the Tracts may be used for residential, ranching, agricultural and home office purposes, and for any other uses that are not noxious or offensive. No activity may be conducted by any person who is or may become a source of nuisance or hazard to the owners of any other Tract. Any livestock owned or kept on a Tract must be fenced in at all times by the owner of said Tract.
17. This Declaration may be amended by a vote of Owners of at least two-thirds (2/3) of the Owners of Tracts within James Valley Subdivision. Any amendment must be in writing and shall be executed by the Owners whose approval is required for such amendment. All amendments shall be filed for record in Cibola County, New Mexico.

Failure to enforce any restriction, condition, covenant or agreement herein contained shall be in no event deemed a waiver of the right to do so thereafter as to the same breach or as to one occurring prior or subsequent thereto. In the event any covenant or condition or restriction hereinabove contained, or any portion thereof is invalid or void, such invalidity or void shall in no way affect any of the other covenants, conditions or restrictions which shall remain in full force

WITNESS its hand and seal on this

4th

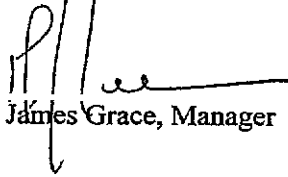
day of May, 2005.

GRACE FAMILY L.L.C.
A New Mexico Limited Liability Company

Attest:



By:


A. James Grace, Manager

ACKNOWLEDGMENT

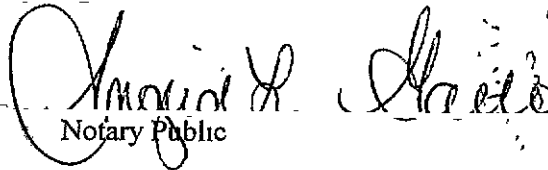
STATE OF VERMONT) SS

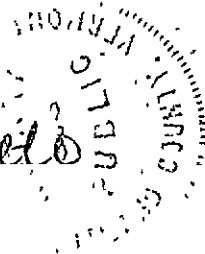
COUNTY OF RUTLAND) SS

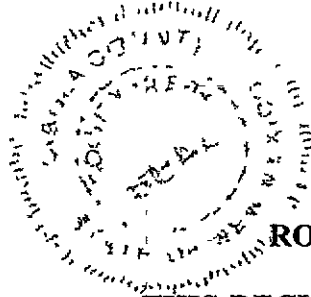
On this 4th day of May, 2005, before me appeared A James Grace, as Manager of Grace Family, L L C., a New Mexico Limited Liability Company, on behalf of said company.

My commission expires

2-10-07


Notary Public





**DECLARATION OF COVENANTS FOR
ROAD MAINTENANCE FOR JAMES VALLEY SUBDIVISION**

THIS DECLARATION is made this 4th day of May, 2005, by GRACE FAMILY, LLC, a New Mexico limited liability company (hereinafter referred to as "Declarant")

WHEREAS, Declarant is the owner of twenty-four (24) tracts known as the James Valley Subdivision (the "Subdivision"), as shown on plat of survey (the "Plat") filed for record on April 21, 2005, and recorded in Plat Cabinet C, Slot No. 185, Book 0014, Page 5929 records of Cibola County, New Mexico; and

WHEREAS, Declarant is also the owner of a tract of land within Section 12, T 8 N, R 14 W and Section 7, T 8 N, R 13 W, N.M.P.M., Cibola County, New Mexico, comprising approximately 1,719.667 acres of land, adjacent to and west of the Subdivision ("Big Pine Ranch"), and

WHEREAS, the Subdivision tracts and Big Pine Ranch (collectively the "Tracts") are served by a network of access roads known as Old Cabin Road, North Valley Road and James Valley Road (collectively the "Access Roads"); and

WHEREAS, Declarant desires to impose the provisions of this Declaration on and subject all of the Tracts to the covenants hereinafter stated, for the purpose of providing for an equitable sharing of the costs for the maintenance of the Access Roads, the terms of which shall run with the land and be binding upon and inure to the benefit of all parties having any right, title or interest in or to the Tracts, or any part thereof, and their successors and assigns (the "Owners").

NOW, THEREFORE, Declarant hereby declares that the Tracts shall be subject to the following covenants, conditions and restrictions:

Article I - Maintenance of Roads

1.1 Maintenance of Access Roads . The Owners of all Tracts including any constituent tracts created from the future division of Tracts, shall maintain the Access Roads in good condition and repair. Each Owner of a Tract using the Access Roads shall be responsible for his or her pro rata share of such maintenance costs for one or more Roads, based upon the percentages set forth in Exhibit A hereto. As shown on Exhibit A, the Owners of Tracts 6 and 7 will be responsible for a percentage of the costs of maintenance of both Old Cabin Road and North Valley Road. In addition, also as shown on Exhibit A, the Owners of Tracts fronting on North Valley Road, i.e. Tracts 2 through 7, inclusive, will be responsible collectively for 50% of the costs of maintenance of North Valley Road, and the Owners of Tracts fronting on James Valley Road, i.e. Tracts 8 through 24, inclusive, will be responsible collectively for the remaining 50% of the costs of maintenance of North Valley Road, and are responsible for 100% of the costs of maintenance for James Valley Road. If a Tract is divided into constituent tracts or lots, the subdivider, in the deeds to purchasers or by other appropriate recorded document, shall

allocate the percentage assigned to the original Tract among the constituent tract or lots, so that the percentage shown on Exhibit A is contributed by the constituent tract owners collectively

1.2 Road Administrator. The Owners of the Tracts shall appoint, from among their number, an Administrator for the maintenance of the Roads. An Administrator may be removed at any time by the vote of a majority of the Tracts. An Administrator who is removed, dies or resigns may be replaced by the vote of a majority of the Tracts.

1.3 Schedule; Budget; Assessments Each April, the Administrator shall arrange for maintenance of the Roads, and shall assess against each Tract its pro rata share of the cost of such maintenance, based upon the percentages set forth in Exhibit A hereto. Each Owner's assessment shall be due within twenty-one (21) days after the schedule of assessments has been mailed or hand-delivered to such Owner.

1.3 Enforcement of Assessments. If any Owner fails to pay an assessment as provided herein, such Owner shall be in default, and the Administrator may give him notice in writing of such default. If the default is not fully corrected within fifteen (15) days after such notice, some or all of the other Owners may commence a legal action to require the defaulting Owner to pay the delinquent assessment. If the Owners bringing the lawsuit obtain substantially the relief sought in such legal action, the defaulting Owner shall pay: a) interest on the unpaid balance at 1 1/2% percent per month accruing from the due date; b) the prevailing parties' reasonable attorneys' fees and c) other related costs in connection with such legal action.

In addition to the right hereunder to bring a legal action, if any party is in default in paying any assessment, the amount of the delinquency, together with interest on the unpaid balance at 1 1/2% per month and reasonable attorneys' fees and other related costs in connection with the collection of the delinquency, shall become a lien upon the Tract of the delinquent owner upon the recording in the Cibola County Clerk's Office by the Administrator of a notice of lien. The notice of lien shall also be mailed to the last known address of the defaulting Owner. Such lien shall contain the property description of the Tract burdened with the lien, the name of the reputed owner thereof, and a general description of the delinquent amount. Such lien may be foreclosed in the manner provided by law for the foreclosure of mechanics and materialmen's liens. The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage. Sale or transfer of any Tract shall not extinguish the assessment lien.

1.4 Extraordinary Repairs.

(a) Any Tract Owner may make necessary expenditures for emergency repairs to a Road without consulting the Road Administrator but only after reasonable attempts have been made to consult with such Administrator. The paying Owner shall be entitled to reimbursement for such emergency expenditures as part of the next annual assessment.

(b) During any period of construction of improvements on any Tract, the Owner shall be responsible for removing trash and construction debris, including concrete slurry, from the Roads and adjacent areas, on a daily basis.

(c) If repair or reconstruction of a Road becomes necessary by reason of negligence or of intentional harm by one of the Owners or their invitees, the cost of such repair or replacement shall be borne by the Owner whose negligence or intentional acts, or the negligence or intentional acts of whose invitee, caused the damage. Such repair shall be considered an emergency expense subject to the provisions of subparagraph 1.4(a) hereof.

Article II - General Provisions

2.1 Modification The provisions of this Declaration shall not be amended except upon the approval of the Owners of at least three-fourths (3/4) of the Tracts. Any amendment hereto must be in writing and shall be executed by the Owners whose approval is required for such amendment. All amendments shall be filed for record in Cibola County, New Mexico

2.2 Notices. Any notices required or permitted to be delivered hereunder shall be deemed to be delivered when personally delivered to the respective addressee or upon deposit of the same in the United States mails, postage prepaid, certified or registered mail, return receipt requested, and addressed to the Owners at the respective addresses as shown in records maintained by the Road Administrator. Any Owner may change his address by giving notice thereof to the Road Administrator.

2.3 Severability. Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

2.4 Binding Effect. This Declaration shall be binding upon and shall inure to the benefit of Declarant, the Owners, and their respective heirs, successors and assigns, and shall run with the land.

REC DATE 05/09/05 REC TIME 01 18 PM BOOK 0014 PAGE 6535
CIBOLA COUNTY, NM EILEEN MARTINEZ-COUNTY CLERK DOC # 200505085

James Valley Sub-Division

Exhibit A

Tract Owner's Percent of Road Responsibility

May 2005

Road Old Cabin Road Total Road Length 1,336 84 Feet

| Tract # | Tract Frontage (feet) | Tract Percent Responsibility |
|----------|-----------------------|------------------------------|
| 1 | 201 24 | 6% |
| 6 | 537 79 | 16% |
| 7 | 611 57 | 21% |
| Big Pine | 0 | 57% |

Road North Valley Road Total Road Length 3,912 53 Feet

| Track # | Tract Frontage (feet) | Tract Percent Responsibility (1/2 of North Valley Rd costs) |
|---------|-----------------------|---|
| 2 | 50 | 28% |
| 3 | 271 11 | 25% |
| 4 | 527 41 | 21% |
| 5 | 1051 41 | 10% |
| 6 | 3912 53 | 8% |
| 7 | 2062.6 | 8% |

Road James Valley Road Total Road Length 10,957 Feet

| Tract # | Tract Frontage (feet) | Tract Percent Responsibility (1/2 of North Valley Rd and all of James Valley RD) |
|---------|-----------------------|--|
| 8 | 1270 22 | 3% |
| 9 | 1786 14 | 4% |
| 10 | 1419 73 | 4% |
| 11 | 2235 17 | 5% |
| 12 | 998 42 | 5% |
| 13 | 1049 34 | 5% |
| 14 | 1025 32 | 5% |
| 15 | 590 27 | 5% |
| 16 | 1421.38 | 6% |
| 17 | 755 79 | 6% |
| 18 | 394 75 | 6% |
| 19 | 418 54 | 7% |
| 20 | 446 89 | 7% |
| 21 | 413 66 | 7% |
| 22 | 425 98 | 8% |
| 23 | 4560 31 | 10% |
| 24 | 778 45 | 7% |