

**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 _____ DAY OF _____, 2005, IN CABINET NO. _____ SLIDE NO. _____, 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 have and maintain water conserving plumbing fixtures, including, but not limited to, low flush toilets, low flow showerheads and aerator type or flow restricted faucets.
10. All common access roads may be used for the "quiet sports", i.e.: walking, horseback riding, and bicycling. Each Owner shall use the roads for these purposes at his or her own risk. Any Owner using a road for a recreational purpose (the "Indemnifying Owner") 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 recreational purposes by the Indemnifying Owner.

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 James Ranch Headquarters tract (as shown on the plat), 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 which 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 and effect.

WITNESS its hand and seal on this _____ day of _____, 2005.

Grace Family L.L.C.
A New Mexico Limited Liability Company

Attest: _____

By: _____
A. James Grace, Manager