

DS
CWT
DS
CMJ
DS
MWRAP

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
RED CANYON RANCHES
MCKINLEY COUNTY, NEW MEXICO**

KNOW ALL MEN BY THESE PRESENTS THAT: THE UNDERSIGNED, BEING THE OWNER OF ALL OF THE LOTS IN RED CANYON RANCHES, MCKINLEY COUNTY, NEW MEXICO, AS SHOWN BY THE PLAT THEREOF FILED IN THE OFFICE OF THE COUNTY CLERK OF MCKINLEY COUNTY, NEW MEXICO ON THE 8th DAY OF January JANUARY, 2007, IN BOOK _____, PAGE _____, DOES HEREBY DECLARE, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, THAT ALL LOTS IN RED CANYON RANCHES 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.

LOTS IN RED CANYON RANCHES ARE SUBJECT TO THE FOLLOWING RESTRICTIONS:

General Restrictions (Applicable to All Areas of Red Canyon Ranches)

1. Each of the Lots may be used for (a) residential, ranching, agricultural and home office purposes, (b) operation of no more than one bed and breakfast inn no larger than six (6) rooms or units or 3,000 square feet of interior space, provided that an owner of the Lot, or a principal of the owner if the owner is an entity, resides on the Lot and operates the inn, or (c) 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 Lot.
2. All buildings shall be set back a minimum of 100 feet from property lines.
3. There shall be no buildings constructed or placed within 250 feet of either side of the right of way for all access roads in Red Canyon Ranches.
4. There shall be no subdivision of any Lot, nor any onsite field work related to subdivision of the Lot, for a period of twelve (12) months from date of purchase of each such Lot. No Lot shall be divided into more than four (4) constituent lots or tracts. Further, no Lot shall be divided or subdivided into lots of less than 15 Acres in size.
5. No "For Sale" signs shall be erected anywhere within Red Canyon Ranches for a period of three (3) years from the date of recordation of this Declaration.
6. 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 constructed across any roads used as common access. Cattle guards are permissible.
7. In the event that any improvement upon any lot in Red Canyon Ranches is destroyed wholly or partially by fire or other casualty, the damaged portion of the structure and associated debris shall be removed from the lot by the owner of the lot, or the owner's designee within 90 days after the fire.
8. No Owner, or guest of an Owner, may use a 4-wheel recreational vehicle anywhere within Red Canyon Ranches except upon that Owner's lot. Use of such vehicles shall be confined to utilitarian purposes and quiet recreation. There shall be no offensive use of such vehicles within Red Canyon Ranches, including without limitation the creation of race tracks or the conduct of sporting events.

325-4
329164 01/08/2007 04:09P COV
1of5 B28 P1337 R 17.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

329164 01/08/2007 04:09P COV
2 of 5 B28 P1338 R 17.00 D 0.00
McKinley County Jacqueline Slean - County Clerk

9. No singlewide mobile home, temporary or permanent, shall be permitted anywhere within Red Canyon Ranches. 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.

10. 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.

11. All common access roads may be used by the owners of lots in Red Canyon Ranches for the "quiet sports", i.e. walking, horseback riding, and bicycling. Any party using a road for a recreational purpose (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.

12. No item that would be classified as junk by an ordinary person shall be permitted in Red Canyon Ranches, 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.

13. 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.

14. There shall be no construction within natural drainage-ways within Red Canyon Ranches. 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.

15. Animals shall be limited to family pets, horses and livestock raised for sustainable living. Livestock shall not be raised or bred within Red Canyon Ranches for commercial purposes. All livestock or other animals must be kept within a fenced area on the Owner's lot, and such fences shall not be placed across roads. Animals shall be maintained in a manner consistent with best terrain management practices, and shall not overburden the soils and other features of the environment. No animals creating excessive noise or odor shall be kept on any Lot. Animals such as dogs and cats shall be restrained from interfering with or killing wildlife native to or found in Red Canyon Ranches.

Casamero Ranch Restrictions (Applicable to Casamero Ranch only)

1. There shall be no limitations on the height or size of residences constructed in Casamero Ranch.

2. No residential or commercial structures shall be erected within the portions of lots within Casamero Ranch that lie to the west of RCR Road. The purpose of this restriction is to preserve and protect the viewshed of other lots in Red Canyon Ranches. Moderate or sensible grazing of horses and other livestock in these areas is permitted, as is the construction of barns and other non-residential outbuildings, provided they are not used for storage for non-agricultural purposes. In addition, one non-motorized horse trailer, livestock trailer or other similar implement may be maintained within the restricted area. Any building constructed within the restricted area (a) shall be limited to one and one-half stories; (b) shall not be larger than 1,500 square feet; (c) shall use roofing material of a dark color such as black, brown, dark green or dull metal, as opposed to bright colors such as white, shiny metal or any other reflective surface; and

329164

329164 01/08/2007 04:09P COV
3of5 B28 P1339 R 17.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

(d) shall use earth tone colors for the stucco or other exterior surface. Access to any restricted area shall be limited to a two-track dirt or graveled road.

3. Manufactured homes built in accordance with HUD regulations, containing a minimum of 1500 square feet of heated interior space, and if placed upon a permanent foundation, shall be allowed on all lots in Casamero Ranch. All other homes in Casamero Ranch shall be site-built and constructed in compliance with the Uniform Building Code. There will be no size limitations on site-built homes.

4. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted within Casamero Ranch. No oil wells, tanks tunnels, mineral excavations or mine shafts shall be permitted within Casamero Ranch. No derrick or other structure designed for 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 Lot. The foregoing restrictions, however, are subject and subordinate to any oil, gas and mineral reservations in effect as of the date of this Declaration.

Triple R Ranch Restrictions (Applicable to Triple R Ranch only)

1. Any residence constructed on the mesa top portion of any Lot in Triple R Ranch shall be limited to 1 1/2 stories. Any residence constructed on the valley portion of any Lot in Triple Ranch shall be limited to 2 stories.

2. All residences constructed in Triple R Ranch shall use roofing material of a dark color such as black, brown, dark green or dull metal, as opposed to bright colors such as white, shiny metal or any other reflective surface. In addition, all residences constructed in Triple R Ranch shall use earth tone colors for the stucco or other exterior surface.

3. No residential or commercial structures shall be erected within (a) the portions of lots within Triple R Ranch which lie to the west of RCR Road, or (b) the portions of Lots 10, 11 and 13 in Triple R Ranch which lie 200 feet or more south of Hoodoo Hills Road. The purpose of this restriction is to preserve and protect the viewshed of other lots in Red Canyon Ranches. Moderate or sensible grazing of horses and other livestock in these areas is permitted, as is the construction of barns and other non-residential outbuildings, provided they are not used for storage for non-agricultural purposes. In addition, one non-motorized horse trailer, livestock trailer or other similar implement may be maintained within the restricted areas. Any building constructed within the restricted areas (a) shall be limited to one and one-half stories; (b) shall not be larger than 1,500 square feet; (c) shall use roofing material of a dark color such as black, brown, dark green or dull metal, as opposed to bright colors such as white, shiny metal or any other reflective surface; and (d) shall use earth tone colors for the stucco or other exterior surface. Access to any restricted area shall be limited to a two-track dirt or graveled road.

4. All homes in Triple R Ranch shall be site-built and constructed in compliance with the Uniform Building Code. Notwithstanding the foregoing, the owners of Lot 12 may keep, improve or replace the existing double-wide mobile home within the homestead area on Lot 12, as shown on the Plat.

5. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted within Triple R Ranch. No oil wells, tanks tunnels, mineral excavations or mine shafts shall be permitted within Triple R Ranch. No derrick or other structure designed for 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 Lot. The foregoing restrictions, however, are subject and subordinate to any oil, gas and mineral reservations in effect as of the date of this Declaration.

Eagle Rock Ranch Restrictions (Applicable to Eagle Rock Ranch only)

1. There shall be no limitations on the height or size of residences constructed on Lots 1, 2, 4 and 5 in Eagle Rock Ranch. Any residence constructed on the

50
P.3
5
/

329164 01/08/2007 04:09P COV
4of5 B28 P1340 R 17.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

mesa top portion of Lot 3 in Eagle Rock Ranch (west of Escalante Road) shall be limited to 1 1/2 stories.

2. Manufactured homes built in accordance with HUD regulations, containing a minimum of 1500 square feet of heated interior space, and if placed upon a permanent foundation, shall be allowed on (a) Lots 1 and 2 in Eagle Rock Ranch, and (b) on the portion of Lot 3 in Eagle Rock Ranch which lies to the east of Escalante Road. All other homes in Eagle Rock Ranch shall be site-built and constructed in compliance with the Uniform Building Code. There shall be no size limitations on site-built homes.

3. All residences constructed in Eagle Rock Ranch shall use roofing material of a dark color such as black, brown, dark green or dull metal, as opposed to bright colors such as white, shiny metal or any other reflective surface. In addition, all residences constructed on the mesa top portion of Lot 3 in Eagle Rock Ranch shall use earth tone colors for the stucco or other exterior surface.

4. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted within Eagle Rock Ranch. No oil wells, tanks tunnels, mineral excavations or mine shafts shall be permitted within Eagle Rock Ranch. No derrick or other structure designed for 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 Lot. The foregoing restrictions, however, are subject and subordinate to any oil, gas and mineral reservations in effect as of the date of this Declaration.

Mt. Taylor Vista Ranch Restrictions (Applicable to Mt. Taylor Vista Ranch only)

1. There shall be no limitations on the height or size of residences constructed in Mt. Taylor Vista Ranch.

2. Doublewide mobile homes manufactured no earlier than the year 2000 and placed upon a permanent foundation shall be allowed within all lots in Mt. Taylor Vista Ranch. All other homes in Mt. Taylor Vista Ranch shall be site-built and constructed in compliance with the Uniform Building Code.

General Provisions

1. This Declaration may be amended by a vote of Owners of at least two-thirds (2/3) of the Owners of Lots within Red Canyon Ranches. 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 McKinley County, New Mexico.

2. 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.

3. All Lots in Red Canyon Ranches shall be subject to a declaration of covenants for road maintenance, providing for the sharing of maintenance costs among the owners of Lots served by each of ten (10) private roads. The road maintenance declaration shall be executed by Declarant and recorded. Each Owner shall be required to pay his or her pro rata share of the costs of maintenance of each of the private roads serving his Lot, based upon a calculation of the distance along that road to each Lot or constituent lot. Declarant will not create a homeowners association for this purpose, and membership in an association will not be required.

4. The Declarant, without the joiner 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

63
13
2

11/1

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS
FOR RED CANYON RANCHES ROAD MAINTENANCE**

THIS FIRST AMENDMENT to the Declaration of Covenants for Red Canyon Ranches Road Maintenance recorded on January 8, 2007 at Book 28, pages 1342-1348 of the records of McKinley County, New Mexico (the "Declaration") is adopted by Red Rock Ranches, LLP, as owner of at least three-fourths (3/4) of the Lots in Red Canyon Ranches, pursuant to Article II, Section 2.1 of the Declaration, to correct Article I, Section 1.7 of the Declaration to read as follows:

1.7 Exclusive Access. Any road which provides exclusive access to a specific lot, e.g. any road constructed within the easement across Lot 15 in Triple R Ranch benefiting Lot 14 in Triple R Ranch, shall be maintained by the Owner of the Lot benefited by such road, at such Owner's sole cost.

Except as expressly amended above, all covenants and provisions of the Declaration shall remain in full force and effect.

WITNESS its hand and seal on this 11th day of April, 2007.

RED ROCK RANCHES, LLP,
A New Mexico limited liability partnership

By: Grace Family, L.L.C.
A New Mexico Limited Liability Company
Its Managing Partner

Attest: _____

By: [Signature]
A. James Grace, Manager



331461 05/04/2007 12:27P COV
1of2 B28 P7825 R 11.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

VIC

01
02
03
04
05

ACKNOWLEDGMENT

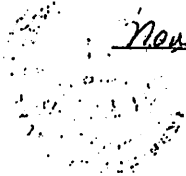
NEW MEXICO)
STATE OF VERMONT)
SANTA FE)ss.
COUNTY OF RUTLAND)

Executed on this 11th day of April, 2007, by A. James Grace, as Manager of Grace Family, L.L.C., a New Mexico Limited Liability Company, the Managing Partner of Red Rock Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

November 10, 2009

Kenneth Cassell
Notary Public



331461 05/04/2007 12:27P COV
2of2 B28 P7826 R 11.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

VIC

05/04/07

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
RED CANYON RANCHES
MCKINLEY COUNTY, NEW MEXICO**

THIS FIRST AMENDMENT to the Declaration of Covenants, Conditions and Restrictions for Red Canyon Ranches, McKinley County, New Mexico, recorded on January 8, 2007 at Book 28, pages 1337-1341 of the records of McKinley County, New Mexico (the "Covenants") is adopted by Red Rock Ranches, LLP, as the Declarant, pursuant to paragraph 4 under the "General Provisions" portion of the Covenants, to correct the first two sentences of paragraph 3 under the "Triple R Ranch Restrictions" portion of the Covenants to read as follows:

No residential or commercial structures shall be erected within (a) the portions of lots within Triple R Ranch which lie to the west of RCR Road, or (b) the portions of Lots 10, 11 and 13 in Triple R Ranch which lie within 200 feet of Hoodoo Hills Road. The purpose of these restrictions is to preserve and protect the viewshed of other lots in Red Canyon Ranches, and the viewshed of the users of Hoodoo Hills Road.

Except as expressly amended above, all restrictions and provisions of the Covenants shall remain in full force and effect.

WITNESS its hand and seal on this 11th day of April, 2007.

RED ROCK RANCHES, LLP,
A New Mexico limited liability partnership

By: Grace Family, L.L.C.
A New Mexico Limited Liability Company
Its Managing Partner

Attest: _____

By: [Signature]
A. James Grace, Manager



331896 06/06/2007 09:07A COV
1of3 B28 P9284 R 13.00 D 0.00
McKinley County Jacqueline Slean - County Clerk

[Handwritten signature]

ACKNOWLEDGMENT

NEW MEXICO
STATE OF VERMONT)
SANTA FE)ss.
COUNTY OF RUTLAND)

Executed on this 11th day of April, 2007, by A. James Grace, as Manager of Grace Family, L.L.C., a New Mexico Limited Liability Company, the Managing Partner of Red Rock Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

November 10, 2009

Kenneth Russett
Notary Public

331896 06/06/2007 09:07A COV
2of3 B28 P9285 R 13.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

331896

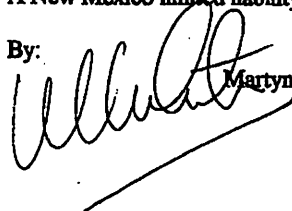
RATIFICATION OF FIRST AMENDMENT TO DECLARATION

The undersigned, as the owner of Lots 10 and 11 in Triple R Ranch, Red Canyon Ranches, McKinley County, New Mexico, by its signature below, hereby acknowledges and ratifies the foregoing First Amendment to Declaration of Covenants, Conditions and Restrictions for Red Canyon Ranches.

WITNESS its hand and seal on the date acknowledged below.

NEW M RANCHES, LLP,
A New Mexico limited liability partnership

By:



Martyn White
Managing

Partner

ACKNOWLEDGMENT

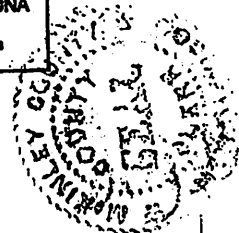
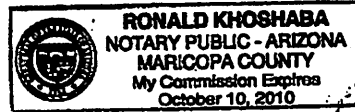
STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

Executed on this 22nd day of May, 2007, by Martyn White, Managing Partner of New M Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

Oct 10th 2010



Notary Public

331896 06/06/2007 09:07A COV
3of3 B28 P9286 R 13.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk



000000

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
RED CANYON RANCHES
MCKINLEY COUNTY, NEW MEXICO**

The undersigned, as the Owners of at least two-thirds (2/3) of the Lots in Red Canyon Ranches, the plat for which was recorded on January 8, 2007, in Plat Book 28, pages 1342-1348, records of McKinley County, New Mexico, hereby adopt this Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Red Canyon Ranches, McKinley County, New Mexico, recorded on January 8, 2007 at Book 28, pages 1337-1341 of the records of McKinley County, New Mexico, as amended by the First Amendment to Declaration recorded on June 6, 2007 at Book 28, pages 9284-9286 of the records of McKinley County, New Mexico (the "Covenants"), pursuant to paragraph 1 under the "General Provisions" portion of the Covenants, as follows:

1. Paragraph 15 of General Restrictions (Applicable to All Areas of Red Canyon Ranches) is revised to read as follows:

"Animals shall be limited to family pets, and horses, cattle and other livestock raised as part of a traditional ranching operation. All livestock or other animals must be kept within a fenced area on the Owner's lot, and such fences shall not be placed across roads. Corrals are permitted under the preceding sentence; stock yards, however, are prohibited. Animals shall be maintained in a manner consistent with best terrain management practices, and shall not overburden the soils and other features of the environment. No animals creating excessive noise or odor shall be kept on any Lot. Animals such as dogs and cats shall be restrained from interfering with or killing wildlife native to or found in Red Canyon Ranches.

2. Except as expressly amended above, all restrictions and provisions of the Covenants shall remain in full force and effect.

WITNESS our hands and seals on this Oct. 31 day of October, 2007.

RED ROCK RANCHES, LLP,
A New Mexico limited liability partnership

By: Grace Family, L.L.C.
A New Mexico Limited Liability Company
Its Managing Partner

Attest: Imajid L. Chello

By: [Signature]
A. James Grace, Manager

DOCH 335328

11/07/2007 11:47 AM Page: 1 of 6
COV R: \$19.00 J. C. Sloan, McKinley County



335328

ACKNOWLEDGMENT

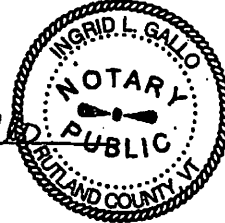
STATE OF VERMONT)
)ss.
COUNTY OF RUTLAND)

Executed on this 31st day of October, 2007, by A. James Grace, as Manager of Grace Family, L.L.C., a New Mexico Limited Liability Company, the Managing Partner of Red Rock Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

2-10-2011

Ingrid L. Gallo
Notary Public



NEW M RANCHES, LLP,
A New Mexico limited liability partnership

By: _____
Martyn White
Managing Partner

ACKNOWLEDGMENT

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

Executed on this _____ day of _____, 2007, by Martyn White, Managing Partner of New M Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

Notary Public

DOCH 335328

11/07/2007 11:47 AM Page: 2 of 8
COV R:519.00 J. C. Sloan, McKinley County



**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
RED CANYON RANCHES
MCKINLEY COUNTY, NEW MEXICO**

The undersigned, as the Owners of at least two-thirds (2/3) of the Lots in Red Canyon Ranches, the plat for which was recorded on January 8, 2007, in Plat Book 28, pages 1342-1348, records of McKinley County, New Mexico, hereby adopt this Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Red Canyon Ranches, McKinley County, New Mexico, recorded on January 8, 2007 at Book 28, pages 1337-1341 of the records of McKinley County, New Mexico, as amended by the First Amendment to Declaration recorded on June 6, 2007 at Book 28, pages 9284-9286 of the records of McKinley County, New Mexico (the "Covenants"), pursuant to paragraph 1 under the "General Provisions" portion of the Covenants, as follows:

1. Paragraph 15 of General Restrictions (Applicable to All Areas of Red Canyon Ranches) is revised to read as follows:

"Animals shall be limited to family pets, and horses, cattle and other livestock raised as part of a traditional ranching operation. All livestock or other animals must be kept within a fenced area on the Owner's lot, and such fences shall not be placed across roads. Corrals are permitted under the preceding sentence; stock yards, however, are prohibited. Animals shall be maintained in a manner consistent with best terrain management practices, and shall not overburden the soils and other features of the environment. No animals creating excessive noise or odor shall be kept on any Lot. Animals such as dogs and cats shall be restrained from interfering with or killing wildlife native to or found in Red Canyon Ranches.

2. Except as expressly amended above, all restrictions and provisions of the Covenants shall remain in full force and effect.

WITNESS our hands and seals on this _____ day of _____, 2007.

RED ROCK RANCHES, LLP,
A New Mexico limited liability partnership

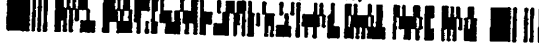
By: Grace Family, L.L.C.
A New Mexico Limited Liability Company
Its Managing Partner

Attest: _____

By: _____
A) James Grace, Manager

DOC# 335328

11/07/2007 11:47 AM Page: 3 of 6
COV R: \$19.00 J. C. Slean, McKinley County



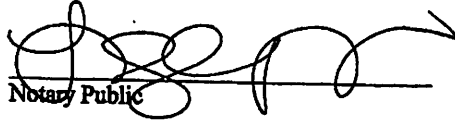
ACKNOWLEDGMENT

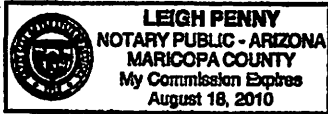
STATE OF VERMONT)
)ss.
COUNTY OF RUTLAND)

Executed on this 31 day of October, 2007, by A. James Grace, as Manager of Grace Family, L.L.C., a New Mexico Limited Liability Company, the Managing Partner of Red Rock Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

8/18/2010


Notary Public



NEW M RANCHES, LLP
A New Mexico limited liability partnership

By: 
Martyn White
Managing

Partner

ACKNOWLEDGMENT

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

Executed on this 31st day of OCTOBER, 2007, by Martyn White, Managing Partner of New M Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

Notary Public

DOCH 333328

11/07/2007 11:47 AM Page: 4 of 6
Gov R: \$18.00 J. C. Sican, Maricopa County



e
c
c
c
c

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
RED CANYON RANCHES
MCKINLEY COUNTY, NEW MEXICO**

The undersigned, as the Owners of at least two-thirds (2/3) of the Lots in Red Canyon Ranches, the plat for which was recorded on January 8, 2007, in Plat Book 28, pages 1342-1348, records of McKinley County, New Mexico, hereby adopt this Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Red Canyon Ranches, McKinley County, New Mexico, recorded on January 8, 2007 at Book 28, pages 1337-1341 of the records of McKinley County, New Mexico, as amended by the First Amendment to Declaration recorded on June 6, 2007 at Book 28, pages 9284-9286 of the records of McKinley County, New Mexico (the "Covenants"), pursuant to paragraph 1 under the "General Provisions" portion of the Covenants, as follows:

1. Paragraph 15 of General Restrictions (Applicable to All Areas of Red Canyon Ranches) is revised to read as follows:

"Animals shall be limited to family pets, and horses, cattle and other livestock raised as part of a traditional ranching operation. All livestock or other animals must be kept within a fenced area on the Owner's lot, and such fences shall not be placed across roads. Corrals are permitted under the preceding sentence; stock yards, however, are prohibited. Animals shall be maintained in a manner consistent with best terrain management practices, and shall not overburden the soils and other features of the environment. No animals creating excessive noise or odor shall be kept on any Lot. Animals such as dogs and cats shall be restrained from interfering with or killing wildlife native to or found in Red Canyon Ranches.

2. Except as expressly amended above, all restrictions and provisions of the Covenants shall remain in full force and effect.

WITNESS our hands and seals on this _____ day of _____, 2007.

RED ROCK RANCHES, LLP,
A New Mexico limited liability partnership

By: Grace Family, L.L.C.
A New Mexico Limited Liability Company
Its Managing Partner

Attest: _____

By: _____
A) James Grace, Manager

DOCN 335328

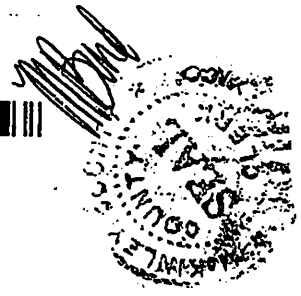
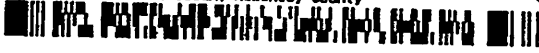
11/07/2007 11:47 AM Page: 5 of 6
COV R: \$18.00 J. C. Sloan, McKinley County



335328

DOC# 335328

11/07/2007 11:47 AM Page: 6 of 6
COV R: \$18.00 J. C. Sloan, McKinley County



ACKNOWLEDGMENT

STATE OF VERMONT)
)ss.
COUNTY OF RUTLAND)

Executed on this _____ day of _____, 2007, by A. James Grace, as Manager of Grace Family, L.L.C., a New Mexico Limited Liability Company, the Managing Partner of Red Rock Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

Notary Public

NEW M RANCHES, LLP,
A New Mexico limited liability partnership

By: _____
Martyn White
Managing

Partner

ACKNOWLEDGMENT

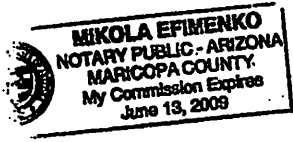
STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

Executed on this _____ day of _____, 2007, by Martyn White, Managing Partner of New M Ranches, LLP, a New Mexico limited liability partnership, on behalf of said partnership.

My commission expires:

6/13/09

Mikola Efimenko
Notary Public



*previous document notarized in wrong Sp. Notary for Martyn White

**DECLARATION OF COVENANTS FOR
RED CANYON RANCHES ROAD MAINTENANCE**

THIS DECLARATION is made this 8th day of January, 2007, by **RED ROCK RANCHES, LLP**, a New Mexico limited liability partnership (hereinafter referred to as "Declarant").

WHEREAS, Declarant is the Owner of certain lands in McKinley County, New Mexico, formerly known as the Andrews Ranch, and divided by Declarant into exempt lots, as shown on the plat of survey entitled "140 Acre Exemption of Red Canyon Ranches, etc." prepared by Roger G. Scussel, P.S. No. 14405, and recorded on January 8th, 2007 in Plat Book _____, pages _____, records of McKinley County, New Mexico (hereinafter "Red Canyon Ranches" or the "Property"); and

WHEREAS, Red Canyon Ranches is divided into four (4) areas or developments, designated as Casamero Ranch, Triple R Ranch, Mt. Taylor Vista Ranch and Eagle Rock Ranch; and

WHEREAS, the Property is served by a network of ten (10) connecting private roads (collectively the "Roads"), one or more of which serve each Lot in Red Canyon Ranches (with the exception of Lot 12 in Triple R Ranch, which accesses directly to County Road 19); and

WHEREAS, Lots 1, 2, 3, 4 and 5 in Casamero Ranch are served by Hoodoo Hills Road, RCR Road, Red Mesa Trail and North Mesa Road; and

WHEREAS, Lots 6, 7, 8 and 9 in Casamero Ranch are served by Hoodoo Hills Road and RCR Road; and

WHEREAS, Lots 1 and 4 in Triple R Ranch are served by Hoodoo Hills Road and RCR Road; and


WHEREAS, Lots 2, 3, 5, 6, 7, 8 and 9 in Triple R Ranch are served by Hoodoo Hills Road (Lots 5, 8 and 9 being served by the entire length of Hoodoo Hills Road), RCR Road and Chimney Rock Road; and

WHEREAS, Lots 10, 11 and 13 in Triple R Ranch are served by Hoodoo Hills Road; and

WHEREAS, Lots 14, 15, 16 and 17 in Triple R Ranch are served by Big Red Road and Blue Sky Road; and

WHEREAS, Lots 1, 2, 3 and 4 in Mt. Taylor Vista Ranch are served by Big Red Road, Blue Sky Road and Long Valley Road; and

WHEREAS, Lots 1 and 2 in Eagle Rock Ranch are served by Big Red Road and Moss Rock Road; and


329165 01/08/2007 04:12P RMA
1of7 B28 P1342 R 21.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

329165

WHEREAS, Lots 3, 4 and 5 in Eagle Rock Ranch are served by Big Red Road and Escalante Road; and

WHEREAS, Declarant desires to impose the provisions of this Declaration on and subject all of the Property to the covenants hereinafter stated, for the purpose of providing for an equitable sharing of the costs for the maintenance of the 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 Property, or any part thereof, and their successors and assigns (the "Owners").


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

Article I - Maintenance of Roads

1.1 Maintenance of Roads. Until such time as Declarant has closed on the sale of twenty-seven (27) of the Lots in Red Canyon Ranches, or until October 31, 2007, whichever occurs sooner (the "Declarant Maintenance Period"), Declarant shall maintain the Roads at its sole expense. Following the end of the Declarant Maintenance Period, the Owners of all Lots served by each Road, including any constituent Lots created from the future division of one or more of those Lots, shall maintain that Road in good condition and repair. Each Owner of a Lot served by a particular Road shall be responsible for his or her pro rata share of the maintenance costs for such Road, based upon the formula set forth in paragraph 1.2 below. For purposes of this Declaration, to "maintain" means to grade, shape and smooth the Road so as to keep the Road in a state of repair as a bladed gravel and dirt road. Any paving or other upgrading of a Road shall be done only by the mutual agreement of all of the Lot Owners served by that Road, or by any Lot Owner who is willing to bear the entire expense of the paving or upgrading.

1.2 Cost Sharing Formula. For purposes of this provision, "Lot Distance" shall mean the distance along the applicable Road, measured in feet, from (a) the commencement of the Road, either at County Road 19 or at its intersection with another Road), to (b) either (i) the end of the segment of the Road used by that Lot, at its intersection with another Road, or (ii) the midpoint of the portion of the Road which traverses the Owner's Lot. Each Owner shall pay a portion of the maintenance costs for each Road that serves that Owner's Lot based upon a fraction, the numerator of which is the Owner's Lot Distance, and the denominator of which is the total of Owners' Lot Distances served by the applicable Road. All Lot Distances for each Road, and calculations of the initial pro rata shares of all Lots served by each Road, are shown on Exhibit A hereto. If a Lot is divided further, the distances for the new Lots created by that division shall be calculated, and the pro rata shares of all Lots, including the new lots, shall be recalculated.

1.3 Road Administrator. The Owners of the Lots served by each Road shall appoint, from among their number, an administrator for the maintenance of that Road. An administrator


329165 01/08/2007 04:12P RMA
2of7 B28 P1343 R 21.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

329165

may be removed at any time by the vote of a majority of the Lots. An Administrator who is removed, dies or resigns may be replaced by the vote of a majority of the Lots served by that Road.

1.4 Schedule; Budget; Assessments. Each April, the administrator for each Road shall arrange for maintenance of that Road, and shall assess against each Lot its pro rata share of the cost of such maintenance, based upon the formula set forth in paragraph 1.2 above and Exhibit A hereto. Each Owner's assessment shall be due within ten (10) days after the schedule of assessments has been mailed or hand-delivered to such Owner.


1.5 Enforcement of Assessments. If any Owner fails to pay an assessment as provided herein, such Owner shall be in default, and the applicable 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 of Lots served by that Road 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 Lot of the delinquent owner upon the recording in the McKinley 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 Lot 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 Lot shall not extinguish the assessment lien.

1.6 Extraordinary Repairs.

(a) Any Lot Owner may make necessary expenditures for emergency repairs to a Road without consulting the other Owners served by that Road but only after reasonable attempts have been made to consult with such other Owners. 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 Lot, the Owner shall be responsible for removing trash and construction debris, including concrete slurry, from the Roads and adjacent areas, on a daily basis.


329165 01/08/2007 04:12P RMA
3of7 B28 P1344 R 21.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

329165

(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 1.6 (a) hereof.

1.7 **Exclusive Access.** Any road which provides exclusive access to a specific lot, e.g. any road constructed within the easement across Lot 14 in Triple R Ranch benefiting Lot 15 in Triple R Ranch, shall be maintained by the Owner of the Lot benefited by such road, at such Owner's sole cost.


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 Lots. 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 McKinley 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 administrators. Any Owner may change his address by giving notice thereof to the administrator of the Road(s) that serve that Owner's Lot.

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.


329165 01/08/2007 04:12P RMA
4of7 B28 P1345 R 21.00 D 0.00
McKinley County Jacqueline Slean - County Clerk

Road Maintenance Program for Red Canyon Ranches Distance Along Each Road for Each Lot (ft)

Lot		HOODOO HILLS	RCR ROAD	RED MESA TRAIL	NORTH MESA ROAD	CHIMNEY ROCK ROAD	LONG VALLEY ROAD	BLUE SKY ROAD	BIG RED ROAD	ESCALANTE ROAD	MOSS ROCK ROAD
CASAMERO RANCH	Lot 1	2,314	6,618	5,666	1,500						
	Lot 2	2,314	6,618	5,666	1,408						
	Lot 3	2,314	6,618	5,666	1,408						
	Lot 4	2,314	6,618	5,666	1,500						
	Lot 5	2,314	6,618	5,666	2,312						
	Lot 6	2,314	11,799								
	Lot 7	2,314	9,307								
	Lot 8	2,314	7,845								
	Lot 9	2,314	6,233								
TRIPLE R RANCH	Lot 1	2,314	4,750								
	Lot 2	2,314	2,658			2,621					
	Lot 3	2,314	2,658			2,621					
	Lot 4	2,314	1,002								
	Lot 5	7,229	2,658			5,035					
	Lot 6	2,314	2,658			7,464					
	Lot 7	2,314	2,658			10,422					
	Lot 8	7,229	2,658			9,352					
	Lot 9	7,229	2,658			6,938					
	Lot 10	4,523									
	Lot 11	2,314									
	Lot 12										
	Lot 13	6,495									
	Lot 14							7,401	17,444		
	Lot 15							6,237	17,444		
	Lot 16							4,188	17,444		
	Lot 17							1,966	17,444		
EAGLE ROCK RANCH	Lot 1								15,085		1,289
	Lot 2								15,085		3,087
	Lot 3								10,246	1,815	
	Lot 4								10,246	4,631	
	Lot 5								10,246	6,782	
TAYLOR VISTA RANCH	Lot 1						11,745	1,966	17,444		
	Lot 2						10,634	1,966	17,444		
	Lot 3						8,475	1,966	17,444		
	Lot 4						6,936	1,966	17,444		

Total All Distances (ft.) **69,729 92,632 28,330 8,128 44,453 37,790 27,656 200,460 13,228 4,376**



329165 01/08/2007 04:12P RMA
6of7 B28 P1347 R 21.00 D 0.00
McKinley County Jacqueline Sloan - County Clerk

January 3, 2007

C. C. C. C.

Road Maintenance Program for Red Canyon Ranches Pro Rata Shares for Each Road

Lot		HOODOO HILLS ROAD	RCR ROAD	RED MESA TRAIL	NORTH MESA ROAD	CHIMNEY ROCK ROAD	LONG VALLEY ROAD	BLUE SKY ROAD	BIG RED ROAD	ESCALANTE ROAD	MOSS ROCK ROAD
CASAMERO RANCH	Lot 1	3.32%	7.14%	20.00%	18.48%						
	Lot 2	3.32%	7.14%	20.00%	17.32%						
	Lot 3	3.32%	7.14%	20.00%	17.32%						
	Lot 4	3.32%	7.14%	20.00%	18.48%						
	Lot 5	3.32%	7.14%	20.00%	28.44%						
	Lot 6	3.32%	12.74%								
	Lot 7	3.32%	10.05%								
	Lot 8	3.32%	8.47%								
	Lot 9	3.32%	6.73%								
EAGLE ROCK RANCH	Lot 1	3.32%	5.13%								
	Lot 2	3.32%	2.87%			5.90%					
	Lot 3	3.32%	2.87%			5.90%					
	Lot 4	3.32%	1.08%								
	Lot 5	10.38%	2.87%			11.32%					
	Lot 6	3.32%	2.87%			16.80%					
	Lot 7	3.32%	2.87%			23.44%					
	Lot 8	10.38%	2.87%			21.04%					
	Lot 9	10.38%	2.87%			15.60%					
	Lot 10	6.48%									
	Lot 11	3.32%									
	Lot 12										
	Lot 13	9.31%									
	Lot 14							26.76%	8.70%		
	Lot 15							22.55%	8.70%		
	Lot 16							15.14%	8.70%		
	Lot 17							7.11%	8.70%		
EAGLE ROCK RANCH	Lot 1								7.53%		29.46%
	Lot 2								7.53%		70.54%
	Lot 3								5.11%	13.73%	
	Lot 4								5.11%	35.00%	
	Lot 5								5.11%	51.27%	
TAYLOR VISTA RANCH	Lot 1						31.08%	7.11%	8.70%		
	Lot 2						28.14%	7.11%	8.70%		
	Lot 3						22.43%	7.11%	8.70%		
	Lot 4						18.35%	7.11%	8.70%		
% of Road Used		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%
Total Road Dist. (ft.)		69,729	92,632	28,330	8,128	44,453	37,780	27,856	200,460	13,228	4,376



329165 01/08/2007 04:12P RMA
7 of 7 B28 P1348 R 21.00 D 0.00
Kinley County Jacqueline Sloan - County Clerk

January 3, 2007

329165