

phase I

DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INDIAN SPRINGS SUBDIVISION

This Declaration of Covenants, Conditions and Restrictions is made this 15 day of March, 1999 by Sonemex Marketing, an Arizona Limited Liability Company hereafter called "Developer".

WITNESSETH:

Whereas, The above described is the owner of the following described real property in Catron County, New Mexico:

A certain Subdivision known as INDIAN SPRINGS and shown on that certain plat thereof filed with the County Clerk of Catron County, New Mexico, on the 15 day of March, 1999 as Slide B-227.

Whereas, the Developer will convey the said properties, subject to certain protective covenants, conditions, restrictions, and reservations, liens and charges hereinafter set forth.

Now, therefore, the Developer hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following covenants, conditions, charges, liens, restrictions, easements and reservations, (hereinafter collectively sometimes called "restrictions"), all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the said real property, and all of which are hereby declared to be for the benefit of all the properties described herein and the owners thereof, their heirs, successors, grantees and assigns. These restrictions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties, or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE 1

- Section 1. "Declaration" shall mean this entire document which may be amended from time to time.
- Section 2. "Lot" shall mean and refer to any numbered plat recorded on the subdivision plat of the Property.
- Section 3. "Owner" shall mean and refer to the recorded Owner(s), whether entities of equitable or legal title.
- Section 4. "Property" shall mean and refer to all property, including roads and any common areas as shown in the subdivision plat.

Phase I

ARTICLE II
ASSOCIATION

The Developer shall establish a New Mexico Not for Profit Corporation named Indian Springs Landowners' Association, Inc.", (hereafter called "Association"), charged with the duties and vested with the powers prescribed by law and set forth in the Articles of Incorporation, the Bylaws for the Association, and this Declaration.

Section 1. ESTABLISHMENT OF THE ASSOCIATION. By acceptance of a deed, or by acquiring any ownership in any lot, each person or entity for himself or itself, his heirs, personal representatives, successors, transferees and assigns binds himself or itself, his heirs, personal representatives, successors, transferees and assigns to be members of the Association automatically.

Section 2. MEMBERSHIP AND VOTING RIGHTS. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot.

(a) The Association shall have (1) one class of voting membership. The members shall all be Owners and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in a Lot, all such persons shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Voting privileges will only be available to those for which payment of annual dues and assessments are current.

(b) Each member shall have such other rights, duties and obligations as shall be set forth in the Articles of Incorporation, the Bylaws and the Rules of the Association, as they may be amended from time to time.

Section 3. PURPOSE OF ASSESSMENT FEE. The initial annual assessment fee levied by the Association is \$50.00, and is used exclusively to promote the health, safety, and welfare of the owners of the lots.

Section 4. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENT FEES. Due Dates: The first annual assessment fee payments on all lots shall be due January 31st, 2,000 and on the 31st of January every year thereafter.

Section 5. EFFECT OF NONPAYMENT OF ASSESSMENT FEE & REMEDIES OF THE ASSOCIATION. Any assessment fee not paid within 30 days after the due date shall be a lien, subject to foreclosure upon the lot assessed.

Section 6. UNIFORM ASSESSMENT FEE, OWNER EXCEPTION. The assessment fee shall be the same rate for all lots, except the lots unsold by the Owner. The owner shall pay one-fifth (1/5) of the normal assessment fee paid by other owners of the lots.

ARTICLE III

Section 1. Natural vegetation shall be left undisturbed, except for such clearing necessary to use the lot for its intended purpose. No logging or tree cutting operations are to be conducted on any lots except to thin trees where necessary. The natural beauty of the land must be preserved and maintained.

Section 2. All trash or junk shall be deposited in sanitary containers and hauled to the County Landfill. No junk vehicles or junk mechanical equipment of any kind are permitted on the property. Lots shall be kept in a clean and tidy condition. No tar paper shacks, or dilapidated unkempt trailers, mobile homes or buildings are to be constructed or placed on the property. All trailers, mobile homes, and buildings are to be of a professional quality and workmanship.

Section 3. No building structure, trailer, tent, or mobile home on any lot shall be nearer than 75 feet to the street line, nor nearer than 40 feet to the side lot line, nor nearer than 40 feet from the back lot line. Side and rear lot lines shall have a 15 foot utility easement. Back lot line on the subdivision boundary shall have a 20 foot wide utility easement.

Section 4. No business or commercial ventures may be conducted on any of the lots, except as specified in this Section, other than home offices, such as, mail order businesses conducted over the internet or telephone, etc. The Easterly most 350 feet of lots 1, 20, 21, 23, 24, 25, and 26 along County Road A-043, also known as Omega Road, shall be a business zone allowing retail, office and restaurant without liquor. Any such business use shall not be dirty, unsightly, obnoxious, noisy, offensive or a nuisance and must be approved, in writing, by the Board Members of the Association prior to construction. Lodging facilities, multi-family housing and industrial uses are specifically prohibited.

Section 5. Animals shall be confined within the boundaries of each parcel, they shall not be allowed to graze on adjoining properties. Livestock must be kept in sanitary conditions. No pigs shall be raised on any of the lots within the subdivision with the exception of school or 4-H projects. Dogs must be kept on leashes or within the boundaries of the lot owner's property. Dogs shall not be allowed to roam freely throughout the development.

Section 6. All structures, except antennas and windmills shall not be more than 30 feet in height.

Section 7. None of the lots in the Subdivision shall be re-subdivided into lots smaller nor conveyed in less than the full original dimension of such lot as shown on the plat, except for public or private utilities, in which event, the remaining portion of said lot shall be treated as a whole lot for the purpose of this provision.

Section 8. Reflective address signs for emergency purposes, may be placed on the driveway and must be maintained by lot owner .

Section 9. All lots are restricted to one residence per lot and one guest house per lot except lots designated commercial which shall be allowed to have one home and one business oriented building. In no event shall the guest house be inhabited on a full time basis. All lots are restricted to one well per lot.

Section 10. Factory-built mobile homes, prefabricated, pre-erected or modular homes are permitted upon all lots as a single family dwelling in addition to site built homes.

Mobile homes shall not exceed ten years of age from the date it is moved on the development, or in the event it does, the Association Board must approve, in writing, that the age of the dwelling does not interfere with the conformity and aesthetics of the environment or development. That no tires, stones and unslightly objects shall be placed on the roof of any dwelling. No shiney, galvanized or corrugated metal roofs are allowed on any mobile homes or houses. Painted propanel roofs are approved.

Any site built dwellings that are to be inhabited shall be a minimum of 600 square feet in ground floor building area and shall be skirted if built on piers. Mobile homes and modular homes shall be blocked and set, either at below or above ground level in a professional manner, with skirting completely around the base of the above ground dwelling to be installed within six (6) months from the initial placing of the dwelling on the lot.

Section 11. Factory made recreational vehicles and travel trailers shall be allowed to be used as temporary residence only during construction of a site built home or preparation of the property for a mobile or modular home. In no event shall these be used as permanent residences or in any way, be permanently attached to the land. Owners must remove their RV or travel trailer after six (6) months on the property. Owners must install septic tanks on their lot if they park an RV or travel trailer and use it for more than two (2)

months and follow all state and/or county health department guidelines whichever is more restrictive.

Section 12. No shooting or hunting, including trapping shall be permitted within the subdivision.

ARTICLE IV

Section 1. INTERPRETATION OF RESTRICTIONS. The Board Members of the Association shall have the exclusive right to construe and interpret these restrictions, and their decision shall be final, conclusive and binding upon all persons and the Property.

Section 2. SEVERABILITY. Any determination by any court of competent jurisdiction that any provision in this instrument is invalid or unenforceable shall not affect the validity or enforceability of the remaining provisions of this instrument and the same shall remain in full force and effect.

Section 3. WAIVER OR ABANDONMENT. Except as otherwise specifically set forth in Section 5 hereof, the failure to enforce or breach or violation of any of the provisions of this instrument shall not constitute an abandonment or waiver of any right to enforce such provision or any subsequent breach or violation of such provision or of any of the other Restrictions herein set forth.

Section 4. ENFORCEMENT. These Covenants, Conditions and Restrictions which shall run with the Property and be a burden on the property, are for the exclusive benefit and protection of the property owners, and shall be enforceable by majority vote of the Board Members of the Association. Violation of any one or more of the Restrictions herein shall be construed as meaning that damages are an adequate remedy where equitable relief is sought.

Section 5. AMENDMENT: The Covenants, Conditions and Restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date the Declaration is recorded, after which time they shall be extended automatically for successive periods of ten (10) years. This Declaration may be amended from time to time by recording in the Office of the County Recorder of Catron County, New Mexico, an instrument in writing reciting said Amendment and signed (with signatures properly acknowledged) by seventy-five (75%) of the members of the Association.

In Witness Whereof the undersigned has executed this instrument as of this 15 day of March, 1999.

David Wolfswinkel

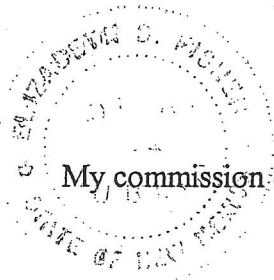
Sonemex Marketing, L.L.C.
David Wolfswinkel, Manager

STATE OF : New Mexico)
) SS.
COUNTY OF :)

The foregoing instrument was acknowledged before me this 15 day of March 1999, by David Wolfswinkel, Manager, Sonemex Marketing, L.L.C.

Elizabeth N. Zuhir

Notary Public



My commission expires: 1/16/2001

STATE OF NEW MEXICO, }
CATRON COUNTY, } ss

This instrument of writing was filed for record on the 15 day of March, A.D. 1999 at 4:10 o'clock P.M., and duly recorded in Vol. 199 of UAC on Page 535-540

Sharon Arango
County Clerk

Deputy

AMENDMENT TO THE COVENANTS

Effective 1/1/03

Dear Member,

As you know, every member was sent a ballot. Each lot has a vote. The ballot dealt with two subjects. They were sent back and counted. The results are:

#1 Drilling a well within specified 6 months time period for permanent residences. Effective January 1st, 2003. This will affect residences already built.

Yes 84 No 8

#2 Late fee charge on overdue Association dues of 10%.

Yes 82 No 10

Therefore each has passed and is now part of the covenants for the ISOLA. Effective January 1st, 2003.

Please put these amendments with you copy of the covenants.