DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

EAGLE CREEK ACRES, UNIT 2

KNOW ALL MEN BY THESE PRESENTS, THAT:

The undersigned, being the owner of all of the tracts in EAGLE CREEK ACRES, UNIT 2, Lincoln County, New Mexico, as shown by the plat thereof filed in the office of the County Clerk of Lincoln County, New Mexico, on the 10th day of June, 1997, in Cabinet No. F, Slide(s) No. 701, does hereby declare, for itself, its successors and assigns, that all tracts in Eagle Creek Acres, Unit 2, 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.

A. All of the tracts in said subdivision are hereby designated "Single-family Residential Area" and are subject to the following residential restrictions:

1. Said residential area shall be used for residential purposes only, and no business, manufacturing, commercial enterprise, public or private amusement shall be conducted, operated or maintained thereon.

2. No tract in said subdivision shall be subdivided into smaller parcels.

3. No mobile home, modular home or other prefabricated home shall be placed upon any tract in this subdivision. There shall not be erected on any one tract more than a single private dwelling house, together with the necessary and appurtenant buildings such as guest houses, servants' quarters, garages, barns and stables used in connection therewith, and no
tent, shack, outhouse, or structure of a temporary character shall be erected or maintained in said subdivision, with the exceptions set out below.

4. During the first ten years after the date hereof, prior to construction of the permanent residence, the tract purchasers may temporarily park a single travel trailer or recreational vehicle on their property for their own use. No dumping of liquid wastes shall be permitted. A travel trailer or recreational vehicle may be used during said ten year period as a temporary residence provided that the same is connected to an adequate septic tank. Such travel trailer or recreational vehicle shall be placed to the rear of the tract out-of-sight as much as possible.

5. All permanent residences erected on said tracts shall be erected on-site from the ground up and the main residence shall have a minimum heated floor area, exclusive of porches and garages, of not less than 2000 square feet; providing further that the exterior of any dwelling shall be completed within one year from commencement thereof, Act of God excepted. Pending completion of the main residence, the tract owners may reside in their guest house located toward the rear of the tract; provided that their residency in their guest house shall not exceed two years from the date of completion of the guest house. The guest house shall have a minimum of 600 square feet of heated floor area. If any room in a residence has a sloping ceiling, no portion of the room measuring less than five feet from the finished floor to the finished ceiling shall be included in any computation of the minimum floor area thereof.

6. All buildings shall be of all new first class construction and no used, secondhand or prefabricated buildings shall be moved into said residential area, nor shall any unpainted tin or other metal be used for construction of any outbuilding. No shake shingle roofing is permitted. All exterior plans for buildings to be erected shall be submitted for approval by the Architectural Control Committee of White Mountain Development Company, Inc., or its successor committee. Should the Committee deem it advisable to refer the plans to a professional architect or engineer, the Committee shall be entitled to charge the tract owner a fee not to exceed $200.00 for such service.
Failure of the Committee to approve or disapprove such plans within twenty (20) days from the date of submission shall be considered as approval of such plans.

7. No building shall be erected or maintained nearer than forty (40) feet to any front or side tract line, nor nearer than 25 feet to any rear tract line. The main residence shall be centrally located on the front portion of the tract facing the private road. All guest houses, barns and other outbuildings shall be constructed toward the rear of the tract.

8. Exterior surfaces of any structure or dwelling shall not be allowed to become shabby or unkempt and all tracts shall be properly maintained, and weeds cut as needed. All trash containers shall be placed underground or completely enclosed. All trash, rubbish, garbage, ashes, and manure shall be removed from the property at regular intervals and disposed of in accordance with the regulations of the County of Lincoln, State of New Mexico, or other regulatory agencies. All toilets shall be located inside principal buildings and shall be connected with proper septic tanks or sewage disposal systems which conform with State and County health laws and regulations. No septic tank or sewage disposal system shall be placed within 200 feet of any well furnishing water to a community water system or 100 feet of a private well.

9. White Mountain Development Company is not making water available to the separate tracts. In accordance with a separate written agreement, Alto Lakes Water Corporation shall provide the water lines, tank, chlorination unit and pumping station for delivery of potable water to the homesites. It shall be the responsibility of the tract owners to arrange with Alto Lakes Water Corporation for their purchase of a meter and for metered water at owners expense.

It is recognized that the water flowing in Eagle Creek is a valuable asset to the subdivision. To protect the quantity and quality of the water, no water shall be severed or diverted for any purpose from the creek. Any and all debris in the creek shall be removed by the owner of the adjoining tract if necessary, to prevent damming of the creek or reduction of the water quality.
10. Water conservation shall be practiced by all owners. Only low-water-flow toilets and shower heads shall be used. Swimming pools and hot tubs are allowed only with the written permission of Alto Lakes Water Corporation. Only plants and trees which require little water shall be used for landscaping (zeroscaping). Watered and manicured lawns shall be limited to a total maximum of 1500 square feet and gardens to a total maximum of 1000 square feet.

11. There shall be no clear-cutting of trees, and native grasses shall be maintained as ground cover as much as possible. Excavation shall be limited to removal of not more than 100 cubic yards of soil without the prior written consent of the Architectural Control Committee. All cut and fill slopes created by road or building pad construction must be stabilized by the use of vegetation, terraces, seeding or erosion control mats. Water runoff shall be controlled by terraces and/or erosion control mats, straw bales or other type barriers.

12. No animals shall be maintained upon any tract other than 2 adult horses or 2 llamas, 2 adult dogs, domestic cats, and 50 adult rabbits. Provided however, that animals being raised for 4-H school sponsored programs may be permitted. No pigs or hogs will be permitted. All animals shall be kept in a fenced area on the owners tract. Dogs must be kept in a kennel, dog run or fenced-in area that confines said dogs to that area. Dogs will not be permitted to run loose in the subdivision and must be vaccinated for rabies once a year and registered in the County as required. Each area for animals shall be completely fenced with animal-proof fencing, and all animals shall be kept within the boundaries of the fences. Exterior boundary fencing may be installed in common with adjoining property owners. Each owner shall install a culvert of not less than 18 inches in diameter in the bar ditch at their driveway entrance for drainage purposes.

13. Grass and soil cover are extremely fragile. Open grazing shall be limited and no Tract at any time may be overgrazed. Any livestock maintained shall have stabling facilities. Further, in the event that any animals cause excessive erosion or damage
to grass or soil cover, the Architectural Control Committee may require the owner to remove such animals.

14. The subdivision roads are private roads, not dedicated to the public, and access to the main subdivision road shall be limited by a gate or signage indicating a private road. At least one escape route shall be provided by developer for use in the event of fire. The tract owners shall form an owners association which shall be responsible for maintenance of the exterior boundary fencing, signage, road maintenance, and maintenance of the escape route, including snow removal. Until such time as all tracts have been sold, the developer shall be a member of the owners association and shall contribute toward the costs of such maintenance on a prorated basis for the number of tracts still owned by developer. School children will be picked up by the school buses at a central point on Eagle Creek or Gaviilan Canyon Road where designated by the school administration. The residents shall be responsible for transportation of their children to and from the pickup point.

15. No noxious or offensive trade or activity shall be carried on upon any tract, nor shall anything be done thereon which may be or become an annoyance, nuisance or hazard to the neighborhood. No trash, junk, old vehicles not in operating condition, or any unsightly object shall be allowed upon or maintained or kept upon any of the tracts, unless kept out of view. All clothes lines shall be kept on the rear of each tract, out of view. Except during construction work, no large construction machinery, dump trucks, tractors, blades, etc. may be parked upon any tract. A construction trailer or shed and portable sanitary toilet may be used during construction if approved in writing by the Architectural Control Committee and only for the time period set out in such approval. Other than the limited use of travel or vacation trailers provided for in paragraph 4 hereof, all boats and trailers (other than a travel or vacation trailer) shall only be stored wholly within a garage or carport or to the rear of the tract out of sight as much as possible.

16. Garbage, trash or other refuse shall be kept in sanitary containers and disposed of regularly by delivery of such containers to a central pickup point near or within the subdivision where designated by the Solid Waste Authority. Manure
shall be regularly disposed of as required by the laws of the State of New Mexico and County of Lincoln. No brush, trash or other materials shall be burned except in compliance with the fire regulations of the Lincoln National Forest or other appropriate regulatory agency.

17. No signs shall be erected or maintained in the residential area which exceed two square feet in area.

18. At such time as 10 of the 30 tracts have been sold by developer, or 10 years from the date of this instrument (whichever shall first occur) the developer shall record an instrument transferring architectural control and the responsibility for maintenance of the private road, escape route, and exterior boundary fencing to the Association of home owners which shall be formed by and consist of all owners of tracts in the subdivision. Such association shall have the right and power to create a fund for such maintenance and repairs and to assess the tract owners for such funds on an individual basis by means of dues or assessments for each tract owned. Each owner (whether singular or plural) shall have one vote for each tract owned. The Association shall also have the right and power to file a lien against the property of any owner not paying his share of the assessment or dues and the right to enforce the same by proceedings at law. Such Association shall have the right and obligation to create a non-profit association and to establish its own by-laws which shall be filed for record in the office of the Lincoln County Clerk.

19. Until ten of the Tracts are sold, the developer shall have and hereby reserves the right, without the consent of any other Owners or the Association, to grant or create temporary or permanent easements for utilities and/or pipelines for transmittal and development of additional water sources within the subdivision; provided that such additional easements shall not adversely affect any Owners interest in such land.

20. Prior to buyers creation of their Homeowners Association, the developer, 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. Thereafter amendments may be made upon affirmative vote of 2/3 of the members.

Invalidation of any of the foregoing covenants contained herein shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

All of the covenants herein shall run with the ownership of the land and shall be binding upon the undersigned corporation and all parties claiming under them.

All of the restrictive covenants contained herein are for the benefit of any and all owners of tracts within the boundaries of the land hereinabove described, and if the undersigned or any of its assigns or successors shall violate or attempt to violate any of said covenants, then it shall be lawful for any other person or persons owning land within said boundaries to prosecute any proceedings at law or in equity to recover damages or to enjoin such act, and to have any and all further legal and equitable relief.

WITNESS our hands and seals.

ATTEST: WHITE MOUNTAIN DEVELOPMENT COMPANY, INC.

[Signature]
Secretary

[Signature] Douglas L. McBride, President
STATE OF NEW MEXICO
COUNTY OF LINCOLN

The foregoing instrument was acknowledged before me this 26th day of April, 1997, by Douglas L. McBride, President of WHITE MOUNTAIN DEVELOPMENT COMPANY, INC., a New Mexico Corporation, on behalf of said corporation.

Notary Public

My Commission Expires: 5-5-2000

STATE OF NEW MEXICO
COUNTY OF LINCOLN

Recorded this 10th day of June, 1997, at 2:56 P.M. in the Lincoln County Records, Book 1997-9, Pages 114-121

Lincoln County Clerk

Notary Public

No. 9705137  Fees $ 21.00