

DECLARATION OF
COVENANTS AND
RESTRICTIONS
RANCHO LOS CABALLOS

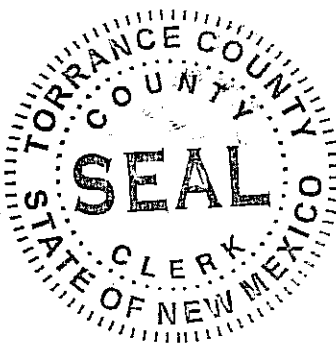
State of New Mexico County of Torrance
I, hereby certify that this Instrument was filed for record on 09/01/2006 A.D. at
2: 35 PM and duly recorded as Instrument # 2063942 in book 310 at page
01087 in the records of Torrance County. 1+ 3 pages. Witness my hand and
Seal of Office. Linda Kayser, County Clerk, Torrance County, NM.
Deputy Clerk



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RLF Rancho Caballo, LLC, ("Grantor") a Colorado limited liability company registered to do business in New Mexico, of 523 S. Cascade Ave., Ste E, Colorado Springs, CO 80903, is the title owner of that certain property located in Torrance County, New Mexico, more particularly described as follows:

All of §18 in T1N, R8E; All of §§ 1, 2, 11 (except not Tract A), 12, 13, 14, 15, 22 in T1N, R7E; SE1/4 of §9, T1N, R7E; S1/2 of §10, T1N, R7E; S1/2 and NE1/4 of §16, T1N, R7E; E1/2 of SE1/4 of §17, T1N, R7E; NW1/4 of §23, T1N, R7E; and E1/2 of §35, T2N, R7E. Tract A within §11 and §2, T1N, R7E is NOT included within the statements of these Covenants and Restrictions or the Disclosure Statement.



As used herein, Grantor shall mean RLF Rancho Caballo, LLC.

Grantor hereby subjects said property to the conditions, covenants, and restrictions set forth herein. These restrictions, conditions, covenants, and limitations shall run with the land and shall be binding upon the present owners and all subsequent Grantees of any portion of any area included within the aforesaid legal description ("the Property").

1. The Grantor shall manage and administer the affairs of the Rancho Los Caballos Property Owners Association ("the Association"), and shall have full power and authority to act on behalf of the Association until the Grantor shall have sold more than 90% of the tracts in the Property. At that time, Grantor shall organize the Association so that its administration shall be determined by owners of a majority of the tracts in the Property. Membership in the Association is mandatory for all landowners in Rancho Los Caballos. Any approval of the Association required in these covenants will be deemed given unless notice of disapproval is sent within sixty (60) days after written request for such approval is received by the Association. The Association shall be entitled and authorized to enforce these covenants on an equal basis with any owner of lands in the Property.
2. Any and all animals kept on the property must be fenced or contained within the boundaries of the Property. Pets shall not be allowed to run at large and shall be under control at all times. No property owner or resident shall be permitted to operate a commercial hog farm, a commercial feedlot, or a commercial chicken farm on the Property. Commercial dog kennels or boarding will not be allowed. Livestock operations must be approved in writing on a case by case basis by the Association.
3. Initial construction of roads accessing the Property and those roads adjacent to individual Tracts within the Property shall be the responsibility of the Grantor.

After initial construction, the maintenance of all roads on the Property and giving access to the Property shall not be the responsibility of the Grantor, but shall be the responsibility of the Association. The Association shall assess all property owners for such maintenance an annual fee, which shall be determined by the Association. Annual assessments are required to be paid in full within sixty (60) days of the date the assessment is mailed. Upon the failure of any property owner to pay an assessment when due, the Association may obtain and enforce a lien against the Property of such owner for the unpaid assessment by recording the notice of assessment with the Clerk and Recorder of Tarrant County, New Mexico. The Association shall also be entitled to recover from such owner its costs of collection of the unpaid assessment, including reasonable attorneys' fees and costs.

4. All future Grantees covenant and agree that the Grantor is reserving a fifty-foot (50') easement for general ingress and egress, being located twenty five feet (25') either side of the centerline of all roads constructed by Grantor herein and an eighty foot (80') wide easement for utilities, being located forty feet (40') either side of the centerline of all roads constructed by Grantor. A fifteen-foot (15') easement for public utilities will run parallel to all surveyed property lines. The perimeter of Rancho Los Caballos will have a thirty-foot (30') utility easement. Public utilities will follow roads where convenient and economically feasible in the opinion of the Grantor herein. All future Grantees covenant and agree that Grantor is granting said Grantee an easement for ingress and egress to the property sold herein over and across all roads which Grantor has the right to travel to said property. Proposed roads will be shown as "Exhibit A" incorporated into the Warranty Deed which transfers title from Grantor to future Grantees. In the case of proposed roads shown on "Exhibit A," locations may vary when actually constructed.
5. All future Grantees covenant and agree that no gates, fences or other obstructions shall be placed upon any access road. This restriction shall not prevent a future Grantee from placing a gate on an access road, on Grantee's property, if the road terminates on that Grantee's property. Cul-de-sac turn-arounds on the end of roads cannot be blocked or fenced at any time. Metal cattle guards will be allowed if installed in accordance with Tarrant County road regulations. Any fence shall be installed in accordance with the State of New Mexico fencing laws. A landowner may install a cattle guard or gate on his driveway as long as the driveway is not part of Grantor's road system to access other parcels.
6. All Grantees covenant and agree that any construction of homes, outbuildings or any other buildings must be completed on the exterior within eighteen (18) months of the commencement of construction. The minimum square footage of a constructed home shall be 1,000 sq. ft. All utilities from the roadway to a dwelling unit must be placed underground.
7. All future Grantees covenant and agree that mobile homes may not be placed on

the subject property unless they are factory modular homes. Exterior materials shall be non-reflective and non-metallic. In the case of exterior walls, said non-reflective and non-metallic materials must have been factory installed. No modular home may be installed on subject property and then covered with wood siding. This covenant is not intended to prohibit a property owner from storing a factory-constructed recreational vehicle on the subject property following completion of Grantee's residence. A property owner may use a factory-constructed recreational vehicle for temporary use on this property, such as during hunting season or vacations (not to exceed ninety (90) days during any twelve consecutive months), or pending completion of construction. In the case of construction, one year shall be the maximum duration of use, provided that construction is ongoing and obvious. Tent or teepee camping will be restricted to twenty-one (21) days or less in any period of twelve consecutive months. Modular or mobile homes must be located on a permanent foundation.

8. Water use will be restricted to limits as allowed by the Torrance County subdivision regulations and State of New Mexico domestic well regulations. Water use limits at the time of the execution of these covenants and restrictions is currently .55 acre feet per year per lot according to the Torrance County Subdivision Regulations. Water and sewage disposal systems are the responsibility of each owner. Those systems must be installed and maintained in accordance with all applicable governmental regulations.
9. All Grantees covenant and agree that no signs or advertisements shall be placed on the Property, except for a sign designating the owner's name, lot number and/or address. This restriction shall not preclude any future Grantee from placing a "For Sale" sign on the Property. "No trespassing" signs will be allowed with a minimum of two hundred feet (200') spacing between signs. Any proposed commercial activity on the Property will require prior written approval from the Association.
10. All future Grantees covenant and agree not to further divide or subdivide the Property smaller than into the initial one hundred forty (140) acre lot size and not to erect more than one (1) single-family residence along with accompanying outbuildings and accessory structures per each one hundred forty (140) acre or larger lot. An accessory structure suitable for habitation may be constructed in the immediate proximity of the single-family residence as long as it is clearly subordinate to the main house, and not used as a rental property.
11. Any provisions herein may be amended or revoked, and additional provisions added, at any time by written instrument duly signed and acknowledged by the owners of record of not less than 60% of the parcels covered under these covenants as described in the legal description herein.
12. In the event it should become necessary for any party, which shall include a landowner, either legal or equitable, or any tract within the Property, to seek enforcement of these covenants against any offending party, then the successful

party shall be entitled to receive from the other party or parties, reasonable attorney's fees and costs. Any violation of these covenants may also be deemed a breach of the terms and provisions of the contractual provisions of purchase under the sale agreement, and shall be in addition to, and not in lieu of further remedies that may be available to the Grantor or its assigns, the Association or other affected parties.

DATED this 23rd day of August, 2006

RLF Rancho Caballo, LLC,
a Colorado Limited Liability Company

By: _____

Title: Authorized Representative

STATE OF Colorado

COUNTY OF EL PASO

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On this 23rd day of August, 2006, before me, a Notary Public in and for the State of Colorado, personally appeared B. Joseph Leiningen known to be the authorized representative of RLF Rancho Caballo, Limited Liability Company, a Colorado Limited Liability Company registered to do business in New Mexico, and acknowledged to me that he executed the foregoing instrument for and on behalf of said Limited Liability Company.

In witness whereof, I have hereunto set my hand and seal the day and year first above written

My commission expires:

4/10/2010

Margaret G. Kich
NOTARY PUBLIC