RESTRICTIVE COVENANTS
for
SAN JUAN COUNTRY CLUB ESTATES PHASE II, NUMBER ONE

THESE COVENANTS are made this 11th of March, 2004 by San Juan Development Corporation, a New Mexico Corporation, (the "Declarant"), and are applicable to Phase II, Number One of the San Juan Country Club Estates, as more particularly described in the Plat of said Subdivision filed for record in Book 1385, Page, 356, as Document Number, 200406000, records, San Juan County, New Mexico, (the "Property") and are for the purposes of additionally restricting and governing the design, development, construction and location of residential properties in Phase II, Number One.

A. The Declarant is the owner of certain real property located in the County of San Juan, State of New Mexico, described as a portion of the Future Development Area in that certain Second Amended and Supplement Declaration of San Juan Country Club Estates, with Amended Date May 21, 2003.

B. The Declarant has determined it will develop the Property in accordance with Article XIV of the Second Amended and Supplement Declaration of San Juan Country Club Estates, dated May 21st, 2003 recorded October 10th, 2003 in Book 1374, Page 960 as document number 200321510 and re-recorded April 8th, 2004 in Book 1385, Page 280 as document number 200405924, in the records of San Juan County, New Mexico ("Second Amended and Supplement Declaration") and desires to create on the Property a first class residential development, and desires to provide for the preservation of the values and amenities of said development. To this end, and for the benefit of the Property and the Owners thereof, the Declarant desires to subject the Property to the covenants, conditions, easements and restrictions, hereinafter set forth in the Second Amended and Supplement Declaration and these Covenants.

C. It is the responsibility of the Unit/Lot Owner and/or Contractor to obtain authorization, in writing, from the Architectural Control Committee (hereinafter referred to as ACC) prior to starting any construction. The Unit/Lot Owner and/or Contractor is required to provide a complete set of building plans for the proposed construction to include landscaping, drainage and a list of materials and colors to the ACC for review and approval. It is the responsibility of the Unit/Lot Owner and/or Contractor to submit said plans to the committee in a timely manner to allow time for proper examination of the plans. Unit/Lot Owners and Contractors should obtain a current ACC Compliance Checklist from said committee to facilitate covenants compliance and approval. Any and all modifications to approved plans must be submitted to said committee prior to commencement of modification work. Strict adherence to these provisions will result in saving time and/or costs associated with the project. Unit/Lot Owner(s) and/or Contractors will hold said committee harmless of any costs and/or actions necessitated by

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non-compliance with the above provisions. San Juan Development Corporation will be responsible for organizing and performing the functions of the ACC until such time that a formal Homeowner's Association for Phase II is established and a committee appointed in accordance with the Association's By-Laws.

IT IS ESSENTIAL THAT UNIT/LOT OWNER(S) AND CONTRACTOR(S) STRICTLY ADHERE TO THE TERMS CONDITIONS, AND PROVISIONS OF THE SECOND AMENDED AND SUPPLEMENT DECLARATION INCLUDING BUT NOT LIMITED TO THE RESTRICTIONS/CONVENANTS SPECIFIED IN ARTICLE III AND IV OF SAID DECLARATION.

SECTION A – BUILDING LOCATION:

No building/structure shall be located on any Unit/Lot nearer than twenty-five (25) feet from the front property line for the garage portion of the residence and nearer than twenty (20) feet from the property line for the house/residence portion of the structure. All rear yards will maintain a minimum setback of twenty (25) feet from the rear property line. A minimum set back of ten (10) feet will be observed for each side property line.

There shall be no walls, fences, planters, or other obstructions of any kind on the rear of any Unit(s)/Lot(s) bordering the golf course. All walls, fences, planters and other obstructions on any Unit/Lot where permitted must be approved by the ACC prior to commencement of construction. Due to various and peculiar constraints of some Units/Lots, variances to set back requirements may be authorized, approved and granted by the ACC. All construction/building and variances must be approved IN WRITING by the ACC in advance of commencement of construction work.

SECTION B – BUILDING/RESIDENCE SIZE:

No residence shall be erected having less than 1,800 square feet of heated finished living area excluding the garage area. No residences on Units/Lots bordering the golf course shall be erected having less than 2,000 square feet of heated finished living area excluding the garage area. The maximum height of any residence shall not exceed thirty-five (35) feet measured from the center of the street at the driveway entrance. In cases where the build site does not have sufficient size to allow for minimum requirements, approval for variances may be obtained from the ACC.

SECTION C – BUILDING TYPE AND USE:

No building site shall be used for any purpose other than a detached single-family residence. All residences shall have at least a two car garage. All residences shall have off-street, paved parking that will accommodate at least two (2) cars in addition to the required garage space.

Additional structures such as guest houses, cabanas, vehicle covers, sheds, etc may be allowed subject to approval of the ACC.

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SECTION D – EXTERIOR BUILDING MATERIALS, FINISHES AND COLORS:

The exterior of all structures including but not limited to the residence, garages, walls, etc. shall be finished in materials and colors as approved by the ACC. Prior to construction, it is the responsibility of the Unit/Lot Owners and/or Contractors to obtain a current requirement checklist from the ACC.

Flat roofs are allowed subject to the following condition: Any portion of a flat roof that is visible from any location in said Phase II shall be covered by appropriate material as determined by the ACC (i.e. no finished roof surfaces shall be allowed to reveal any black roofing tar).

All other roofs are required to have approved concrete, tile or concrete slate roofing material and colors that are harmonious with the surrounding area and existing structures of Phase II as determined by the ACC.

Exterior finish materials may be stucco, brick, slump block, or stone. Wood surfaces shall not be allowed. Color finishes for the exterior shall be harmonious with the surrounding areas and existing structures of Phase II, Number One as determined by the ACC.

SECTION E – LANDSCAPING – SWIMMING POOLS:

All home site plans submitted to the ACC for approval must include a complete landscaping plan including a date of completion. Approved landscaping must be completed on or before the approved completion deadline or Unit/Lot owner shall be subject to fines as provided for in Article Three (3) Section Twenty-one (21) of the Second Amended and Supplement Declaration. Exceptions to this requirement may be granted in the case of seasonal restrictions. Requests for relief in this regard must be approved in writing by the ACC. Any changes to the approved plan must be presented to the ACC for approval. Any unapproved changes made to the landscaping without ACC approval may be subject to removal or modification at the owner's expense. The location of swimming pools must be within the building set-back lines.

All landscaping and maintenance thereof is the responsibility of the Unit/Lot Owner. Landscaping shall be maintained in a manner that is attractive and harmonious with the other homes and area in Phase II as determined by the ACC or the Homeowners Association when formed.

In the event that the ACC or the Homeowners Association when formed, determines that an Owner does not comply with this section within ninety (90) days from delivery of notice of non-compliance, the ACC or the Homeowners Association when formed may

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contract/complete the necessary work and assess the Owner as governed by the Second Amended and Supplement Declaration.

SECTION F- PARKING:

Parking on streets will be permitted only in those areas so designated. Parking on streets is prohibited in all other areas to allow proper fire and emergency access. The Homeowners Association as well as the City of Farmington shall have the authority to remove any vehicles where necessary for the health, welfare and safety of the homeowners and their guests.

SECTION G – ANTENNAS AND SATELLITE DISHES:

No external tower or antenna except satellite TV dishes and computer satellite dishes and antennas shall be allowed on any Unit/Lot or affixed to any part of the property without the written approval of the ACC. No satellite and computer antenna or dish larger than one meter in diameter shall be placed, allowed or maintained upon any portion of a Unit/Lot. Antennas and dishes one meter or less in diameter may be authorized and approved if installation is located in the least conspicuous location available on the Unit/Lot which permits reception of an acceptable signal. Reasonable landscaping or other screening may by required by the ACC to reduce the visual impact of the equipment to the extent that such equipment is visible from the street, adjacent Units/Lots, golf course and any other area in Phase II.

SECTION H – PETS AND ANIMALS:

Pets may be permitted only as outlined in Article III, Section 10 of the Second Amended and Supplement Declaration. No pets shall be allowed to run loose at any time on any of the common area, golf course and San Juan Country Club property. Pets are the responsibility of the Unit/Lot Owners. Owners shall immediately clean up after their pets. Pets must be kept in fenced yards and on a leash when in the common area and in the golf course and in San Juan Country Club property. Pet owners shall be responsible for damages to common areas or any part of the golf course caused by their pets.

SECTION I – MISCELLANEOUS

(1) Amendment and Enforcement

These Covenants may be enforced in the manner provided in the Second Amended and Supplement Declaration and may also be enforced by injunctive relief and by suit for damages or any other remedy provided by law. These covenants may be amended or additional provisions may be added by the recording of a written instrument executed by the lot owners of Phase II Number One as shown by the records of the county clerk of San Juan County, New Mexico, representing an aggregate ownership

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interest of sixty-six and two-thirds percent (66 2/3). These covenants run with the land and shall be binding for the term provided in said declaration, or as renewed or amended.

These covenants shall be construed in conjunction with the said Declaration and the terms of both documents shall apply to the same extent as though set out in one document. Any conflict shall be controlled by the Covenants.

(2) Successors and Assigns

These covenants shall be binding upon and shall inure to the benefit of the Unit/Lot owners, their heirs, successors and assigns.

(3) Severability

Invalidity or unenforceability of any provision of these Covenants, in whole or in part, shall not effect the validity or the enforceability of any other provision of any valid and enforceable part of a provision of these Covenants.

(4) Captions

The captions and headings in these Covenants are for convenience only and shall not be considered as construing or limiting any provision in these Covenants.

(5) No Waiver

Failure to enforce any provision in these Covenants shall not operate as a waiver of any such provision or any other provision in these Covenants.

IN WITNESS WHEREOF, the undersigned has caused these Covenants to be executed this 11th day of March, 2004.

SAN JUAN DEVELOPMENT CORPORATION

BY: _____
Ben Heikkinen, President

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me on this 11th day of March, 2004, by Ben Heikkinen, President of San Juan Development Corporation.

_____
Notary Public

My Commission Expires:
8-04

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