

**PROTECTIVE COVENANTS IMPOSED UPON
 CHAMISA GREENS SUBDIVISION
 RIO RANCHO, NEW MEXICO
 (Amended)
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(Amended)
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KNOW ALL MEN BY THESE PRESENTS: That the undersigned, KB Home of New Mexico, Inc., a New Mexico Corporation, being the owner of a tract of land located in the City of Rio Rancho, Sandoval County, New Mexico, more particularly described as follows:

Tract PH-2, of a Plat of a portion of unplatted Lands, Oakmount Portion of Panorama Heights, as same is shown and designated on the plat as "A PARCEL OF LAND BEING ALL OF TRACT PH-2 WITHIN THE OAKMOUNT PORTION OF PANORAMA HEIGHTS WITHIN PROJECTED SECTIONS 19 AND 30, TOWNSHIP 12 NORTH, RANGE 3 EAST, NEW MEXICO PRINCIPAL MERIDIAN, RECORDED JULY 30, 1998 IN RIO RANCHO ESTATES PLAT BOOK NO. 11, PAGE 22 (VOL. 3, FOLIO 1778-A), INSTRUMENT NO. 18381, TOWN OF ALAMEDA GRANT, CITY OF RIO RANCHO, SANDOVAL COUNTY, NEW MEXICO."

Parcel contains 17.2486 acres, more or less, and 120 Lots and Tracts A thru C.

Hereby makes the following declarations as to the limitations and restrictions placed upon the above-described lots and uses to which the above-described lots may be put; hereby specifying that said declarations shall constitute covenants to run with said land, and shall be binding upon all parties and all persons claiming under them, and for the benefit of and limitations upon all future owners of said lots. Nothing herein contained shall limit the right of the undersigned to use other portions of said subdivision or other lands contiguous to or near the above-described land for purpose other than residences, or to impose restrictive covenants thereon which are less stringent than those stated herein.

1. LOT DIVISION

No lot shall be split or further subdivided so as to reduce the area thereof, except as necessitated by correction of encroachments or other boundary deficiencies caused by errors in surveying and/or construction.

2. LAND USE AND BUILDING TYPE

No lot or any portion thereof shall be used except for single-family residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one (1) single-family detached dwelling. Each dwelling unit shall have an attached private garage for no fewer than two (2) cars. No portion of any building shall exceed (a) the lesser heights of twenty-six feet (26') in height above highest finished grade of the residential lot, except for chimneys and television antennae of reasonable size, or (b) the height equal to building height equal to building height limitations to preserve solar access provided in the ordinances of the City of Rio Rancho. For purposes of this paragraph, a garage shall be considered to be part of the dwelling of which it is

attached. These standards are to be in effect unless modified by the Architectural Control Committee.

3. TEMPORARY USES

Any lot or portion thereof may be used as a sales office, model home complex, or storage and construction yard during the construction and sales period. All temporary uses as defined herein must have the prior written approval of the Architectural Control Committee, which shall establish written requirements therefor.

4. BUILDING LOCATION

No building shall be located on any lot in such a manner as to violate the City of Rio Rancho Zoning Ordinance(s), Subdivision Regulations, or any other public ordinance adopted by any governmental authority having jurisdiction over the lots which might pertain to building construction and/or location. Minimum building setback shall be twenty feet (25') from the front property line, five feet (5') from either side property line and fifteen feet (15') from the rear property line. For the purpose of the limitations imposed by these covenants (but not those imposed by ordinance if defined otherwise therein), eaves, steps, patios, walkways and open porches shall not be considered as part of a building. In no case shall eaves, steps, patios, walkways or open porches encroach upon another.

5. DWELLING SIZE

The heated floor area within the structure of any dwelling, exclusive of porches, garages or other appurtenant structures shall not be less than 1,000 square feet. In the case of residence of more than one story, not less than 700 square feet shall be within the ground floor area. In case of multiple-level dwellings, the Architectural Control Committee shall conclusively determine what constitutes ground floor area as distinguished from basement or other non-ground floor areas.

6. ARCHITECTURAL STANDARDS

No building, garage, fence, wall, basement shed, outbuilding or other structure of any kind, whether permanent or temporary, shall be erected, placed or altered on any lot until construction plans and specifications, and a plan showing the location of the structure, have been approved by the Architectural Control Committee as to quality of materials, harmony of external design with existing structures, and as the location of the building with respect to topography, setback requirements and furnish grade elevations. All construction whether new construction alterations, additions, or remodeling, shall be completed within six (6) months from the date of commencement. No lot shall be used for the storage of materials for a period greater than thirty (30) days prior to the start of construction and during the construction period. All lots shall be maintained in a neat, orderly condition at all times. No existing building shall be altered, remodeled or changed until the plans for such change, alteration or remodeling have been approved by the Architectural Control Committee. No garage may be converted or used as a residential area, and may not be used or altered to a size smaller than is necessary to accommodate one (2) full sized

automobiles, without the prior written consent of the Architectural Control Committee. No clotheslines or paraphernalia for outside drying of clothes is permitted.

7. ANTENNAE

No antennae (amateur radio, citizen's band radio, satellite dish or other, except television antennae of reasonable size) shall be erected upon any lot or dwelling exterior without the prior written approval of the Architectural Control Committee. Any appeal will include a designated location on the dwelling for antennae or dish.

8. NUISANCES

No noxious or offensive activity or use contrary to the laws of the United States of America or the State of New Mexico, or the ordinances of the City of Rio Rancho or any other governmental authority having jurisdiction shall be carried on upon any lot, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

9. TEMPORARY STRUCTURES

No structure of a temporary character (including, but not limited to, motor home, camper, trailer, boat, recreational vehicle, tent, shack, garage, barn, storage shed or other outbuilding) shall be stored, used, erected, or constructed on any lot without the prior written approval of the Architectural Control Committee. In no case shall any of the above-mentioned structures be used as residence, either temporarily or permanently. No campers, house trailers, motor homes, recreational vehicles, or trucks over 3/4 ton shall be stored or parked on any lot or parked permanently on any street within the Chamisa Greens Subdivision without prior written consent of the Architectural Control Committee. No boat of any kind may be stored on any lot except while parked in a closed garage or backyard of reasonable size with appropriate screening or fencing. No vehicle of any type may be repaired on any lot except while parked in an enclosed garage.

10. DRAINAGE AND UTILITY EASEMENTS

Easements and right-of-way for installation and maintenance of utilities and drainage facilities are reserved as indicated on the plat, or as subsequently granted and recorded by document,

11. FENCES AND WALLS

Fences and walls shall be in conformance with all applicable zoning and building ordinances, and any other public ordinances pertaining thereto, and in addition:

- a) No fence or wall, except necessary retaining or perimeter walls of minimum height or architectural walls approved with the original construction, shall be erected.

d) There shall be constructed and maintained a perimeter wall contiguous to the outside lots of the community. Such walls, once constructed, shall remain in place, shall not be defaced, altered, or removed, and shall be subject to the following:

(i) the color of the wall shall not be changed from the original color, except as approved by the Architectural Control Committee;

(ii) rear or side yard entry through the perimeter wall shall not be permitted: without written consent of the Architectural Control Committee.

(iii) walls that have been constructed around electrical, telephone or other utility company switch cabinets or have been located to comply with sight distance requirements shall not be removed or relocated.

12. RETAINING WALLS

Retaining walls shall be party walls if placed on the common property line of two lots and shall not be removed or altered by either property owner, nor the color changed by either property owner without the consent of the other(s) and the Architectural Control Committee.

13. SIGHT TRIANGLE AT INTERSECTIONS

No fence, wall hedge or shrub planting which obstructs sight lines at elevations between a height of three feet (3') and a height of eight feet (8') above the roadways in Chamisa Greens Subdivision shall be placed or permitted to remain on any corner lot within the triangle area formed by the street right-of-way lines and a line connecting them at a point twenty-five feet (25') from the intersection of the street right-of-way lines or, in the case of rounded property corners, at a point twenty-five feet (25') from the point the street right-of-way lines would intersect if extended in a straight line. No trees shall be permitted to remain within such distances of such intersections unless the foliage is maintained at least eight feet (8') above the street Level.

14. SIGNS

No sign of any kind shall be displayed to the public view on any lot except one non-illuminated sign of not more than five (5) square feet, advertising the property for sale or rent. Additional signs may be used by a builder or realty office to advertise the property during the construction and sales period, subject to the prior written approval of the Architectural Control Committee as provided in Paragraph 20 hereof. Signs reasonably necessary for subdivision identification and direction may be constructed by KB Home of New Mexico Inc., or its successors in interest.

15. LIVESTOCK, POULTRY, AND PETS

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except dogs, cats, or other non-exotic household pets. No animal, fowl, fish, or reptile of any kind may be kept, bred or maintained for commercial purpose.

16. GRADING

No lot may be landscaped or regraded in such a manner as to cause the drainage characteristics of the lot to differ materially from the approved grading plan; and in no case shall the drainage characteristics be modified in such a way as to cause damage to adjacent properties. An modification shall require the prior written approval of the Architectural Control Committee.

17. MAINTENANCE

Owners of vacant lots and owners of residences will be responsible for keeping the lots cleared and free of all weeds, trash, and other detracting conditions.

18. ACCESS

There shall be no vehicular access to Chamisa Greens Subdivision other than at the intersection of Titleist Drive and Country Club Drive. There exists an emergency access at St. Andrews Drive and Troon Drive.

19. TREES

Each lot owner shall comply in all respects with the City of Rio Rancho Ordinance, Chapter 9 Article 12, as said ordinance exists as of the date of these Protective Covenants are filed for record (herein the "Ordinance"). This covenant may be enforced in accordance with Paragraph 22 hereof.

20. ARCHITECTURAL CONTROL COMMITTEE

Initially the Architectural Control Committee shall be composed of Greg Breedlove, Jennifer Brillowsky and Sheldon Moore, employees of Grantor. Upon death, resignation, or removal of any member of the Committee, the remaining members shall have full authority to designate a successor(s). Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services rendered pursuant to this covenant. Any members of the Committee may be removed at any time by a majority of the Committee, with or without cause. The Architectural Control Committee shall be authorized to designate an individual or individuals to take any action which could be taken by the Committee as a Whole.

All requests for approval required or allowed hereunder shall be submitted to the Committee in writing, together with all documentation reasonably necessary for the Committee to act on the request. The Committee may request additional information should the same be deemed necessary.

The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee or its designated representative fails to approve or disapprove within fifteen (30) days after plans and specifications have been submitted to it, or in any event, if no suit to

enjoin the construction of projects previously submitted to the Architectural Control Committee has been commenced prior to the completion thereof approval will not be required and the related covenants shall be deemed to have been fully complied with. If construction or modification of any modification requiring approval of the Architectural Control Committee is not submitted, then these covenants may be enforced by any part before or after commencement and/or completion or construction.

Each individual member of the Architectural Control Committee employed by or associated with KB Home of New Mexico Inc., shall become disqualified to serve on the Architectural Control Committee upon termination of such individual's relationship with KB Home of New Mexico Inc., and shall thereafter have no further rights or obligations hereto: and each such person shall conclusively be considered to have resigned from the committee one hundred eighty (180) days after the date KB Home conveys title (legal or equitable) to its last remaining residential lot affected by these restrictions.

KB Home of New Mexico Inc., shall endeavor to give notice of such resignations by recording in the county record in which these restrictions are filed, a notice of such resignation, and shall cause the same to be published as a legal notice in a newspaper of general circulation in the county in which the subdivision is located. Such notice shall be given as soon as practicable after the conveyance of the last lot, as specified above; however, failure to give such notice shall not extend the term of any member of the Committee, nor shall KB Home be liable thereof.

After Grantor is divested and sold out of the community, the Architectural Control Committee shall be comprised of (3) three member of the Chamisa Greens Subdivision Homeowners' Association.

In the event no member remains on the Architectural Control Committee, new members to the committee can be chosen in the following manner. Upon written request of ten percent (10%) of the owners of lots within the subdivision, a meeting shall be held for the purpose of selecting one or more members to the committee. Reasonable diligence shall be used to notify the persons owning lots within said subdivision of the time and place of the meeting, and the purpose thereof.

At such meeting, no more than (3) three persons may be selected as members of the Committee. Each lot owner shall be entitled to one (1) vote, cast by the owner's thereof, and the three (3) persons receiving the most votes shall be selected as members of the Committee.

21. DURATION OF COVENANTS

These protective covenants and reservations are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive period of ten (10) years unless an instrument signed by a majority of the owners of the Lots has been recorded, agreeing to terminate or modify said covenants.

22. ENFORCEMENT

Enforcement to restrain violation of these covenants or to recover damages shall be by proceedings at law in a court of competent jurisdiction or in equity against any person or persons violating or attempting to violate any covenant and may be brought by the owner or owners of any lot or having any interest herein, whether acting jointly or severally. The Architectural Control Committee shall not be obligated to enforce any covenant through legal proceedings.

23. SEVERABILITY

Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS AND EXCEPTIONS

Until the Architectural Control Committee is deemed to have resigned pursuant to Paragraph 20 hereof, KB Home of New Mexico Inc., shall have the authority to unilaterally change, amend or modify these covenants, to modify or amend height and setback requirements as to any individual lot without making such changes of modifications to any other lot(s) provided such change, modification or amendment does not materially change the character or quality of the lots subject to these covenants and does not materially increase the number of lots within the described area. In addition, amendments and/or exceptions to these restrictions, covenants and reservations may be made upon written approval of eighty percent (80%) of the owners of lots in said subdivision, with each lot being entitled to one (1) vote to be cast by the owner(s) thereof.

KB Home of New Mexico Inc., reserves and is granted the right and power to record a Special Amendment to these Protective Covenants to comply with requirements of the Federal National Mortgage association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban development the Federal Housing Administration, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities to make, purchase, sell, insure or guarantee first mortgages of any lot covered by these covenants.

In furtherance of the forgoing, a power coupled with an interest is hereby reserved and granted to KB Home of New Mexico Inc., to make or consent to a Special Amendment on behalf of each owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of and a consent to the reservation of the power of KB Home of New Mexico Inc., to make execute and record Special Amendments. No Special Amendments made by KB Home of New Mexico Inc., shall affect or impair the lien of any first mortgage in order to induce any of the above agencies or entities to make, purchase, insure or guarantee the first mortgage on such owner's lot.

25. ORDINANCE, EFFECTIVE DATE

When compliance with any ordinance, rule or law is required by these covenants, such compliance shall be determined based upon the ordinance, rule or law existing as of the date construction of any building or structure is commenced.

26. EFFECTIVE DATE

These restrictions, covenants and reservations, and any amendments or exceptions thereto shall be effective as of the date of their filing with the County Clerk of Sandoval County, New Mexico.

DATED at Rio Rancho, New Mexico this Monday, October 29, 2007

WITNESS this hand this Monday, October 29, 2007.

KB HOME NEW MEXICO, INC.

By: _____
Greg Breedlove, Director of Land.

STATE OF NEW MEXICO)
) ss:
COUNTY OF SANDOVAL)

This instrument was acknowledged before me Greg Breedlove, on this Monday, October 29, 2007, as an officer of KB Home New Mexico, Inc.

Notary Public

My Commission Expires:
