

La Mariposa Homeowners' Association, Inc.

Restrictions, Covenants, Conditions,
Amendments, Modifications, Disclosures,
Articles of Incorporation, Plats and By-Laws

Source: HOA Board, 2021

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Document Overview

This one document contains all of the recorded documents associated with the La Mariposa Homeowners' Association, Inc.

Table 1: Chronological List of Included Source Documents

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Restrictive Covenant	Santa Fe County	1986-Apr-10	547814-547815
Bylaws	Santa Fe County	1986-Jul-17	619660-619678
Restrictions, Covenants & Conditions	Santa Fe County	1988-Jul-26	619615-619645
Disclosure & Terrain Management Plan	Santa Fe County	1988-Jul-26	619646-619653
Articles of Incorporation	Santa Fe County	1988-Jul-27	619654-619659
Phase I Plat	Santa Fe County	1988-Jul-27	189-3.001
First Amendment to Restrictions	Bernalillo County	1988-Aug-25	624068-624069
Phase 2 Plat	Santa Fe County	1989-May-3	198001(?)
Second Amendment to Restrictions	Santa Fe County	1989-Jul-26	654119-654120
Easement Grant & Agreement	Santa Fe County	1992-Jun-20	643259-643263
Modification to Restrictions	Santa Fe County	1994-Jun-15	1134109-1134110

Purposes. This document was created to: (1) support Board decision-making and (2) inform members and prospective members.

Methodology. The source documents were scanned with Optical Character Reading (OCR) software and combined into this comprehensive document in 2021-Q1. Amended deletions from the source documents have been retained in the End Notes. Amended insertions have been put in their appropriate sections.

Source of truth. While every effort has been made to ensure the accuracy of this compilation, in case of any discrepancy, the recorded source documents are definitive and overrule this document in all circumstances.

Subdivision Rules. See Appendix 1 for Rules that have been established by Board from time to time.

Storage and distribution. The HOA'S original source documents and/or copies of them are saved in the HOA's Safe Deposit Box. The Master Copy of this compiled document is a Microsoft Word document which is editable and searchable; and is stored in the HOA's electronic archive. PDF copies which are searchable, but not editable, have been made for distribution to members and prospective members.

Restrictions, Covenants & Conditions

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Restrictions, Covenants & Conditions	Santa Fe County	1988-Jul-26	619615-619645
First Amendment to Restrictions	Bernalillo County	1988-Aug-25	624068-624069
Second Amendment to Restrictions	Santa Fe County	1989-Jul-26	654119-654120

A Declaration of Restrictions, Covenants and Conditions (CCR's)
for the Creation and Maintenance of a
Planned Unit Residential Development

THIS DECLARATION is made on 26 July 1986, by Stro-Hart Development, a New Mexico general partnership, with respect to that certain real property situate in Santa Fe County, New Mexico and more particularly described as follows:

All of the property shown on the PRELIMINARY
AND FINAL SUBDIVISION PLAT LA MARIPOSA
SUBDIVISION, recorded in the Santa Fe County
real estate" records on 27 July 1988,
in Book 189, Page 003, as Document No.6557469)

It is hereby declared that all of the described real property is subject to this Declaration which is for the purpose of creating and maintaining a planned unit residential development on the described real property and for the improvement and protection of the value, desirability, and attractiveness of the described real property.

It is the purpose of this Declaration to create a planned unit residential development initially consisting of forty-three (43) lots and proposed for expansion to a total of seventy-three (73) single-family dwellings with each dwelling to be located on an individually owned lot on private streets. The private streets may be dedicated to the City of Santa Fe or the County of Santa Fe as provided for herein. The planned unit residential development subject to this Declaration may be expanded by adding additional tracts of property which may be for residential, commercial, office, or industrial use.

This Declaration shall run with the described real property and shall be binding upon and inure to the benefit of Grantor, the Association, each Owner of the described real property or any part of it, and each successor in interest of Grantor, the Association, and any such Owner.

ARTICLE 1: Definitions

Unless the context otherwise specifies or requires, the terms defined in this Article 1 shall have the meanings as defined in this Article for the purposes of these Restrictions.

Section 1.01: Architectural Control Committee

The terms "Architectural Control Committee" or "Committee" shall mean the architectural control committee created pursuant to Article 8.

Section 1.02: Association

The term "Association" shall mean the La Mariposa Homeowners' Association, Inc., a New Mexico nonprofit corporation described in the Article

entitled, "Organization, Powers and Duties of the Association," and any predecessor or successor unincorporated association.

Section 1.03: Board

The term "Board" shall mean the Board of Directors of the Association and the governing body of any predecessor or successor unincorporated association.

Section 1.04: Common Area

The term "Common Area" shall mean certain interests in real property (either a fee simple interest or an easement) including Improvements thereon owned or controlled by the Association or owned by the public, but maintained by the Association for the common use and enjoyment of the Association members. The Common Areas to be owned and/or maintained by the Association are the Community Streets and the Open Space. Additional Common Area may be annexed into the Subdivision as provided herein.

Section 1.05: Community Streets

The term "Community Streets" shall, initially, mean those areas designated on the Plat as Vista Sandia, Vista Colorado, Vista Morada, Vista Serena, Calle Celestial and Calle del Rey, including any medians and rights-of-way within these streets.

Section 1.01: Eligible Mortgagee

The term "Eligible Mortgagee" means any holder of a first mortgage lien against any Lot provided that such mortgagee has given the Association written notice of its mortgage setting forth its name and address and identifying the Lot, which is subject to such first mortgage.

Section 1.07: Fiscal Year

The term "Fiscal Year" shall be the calendar year; but, a different Fiscal Year may be adopted by the Association by By-Law or Board Resolution.

Section 1.08: Grantor

The term "Grantor" shall mean Stro-Hart Development, Ltd., a New Mexico limited partnership, its successors and assigns, who are signed, in writing, all or part of Grantor's powers and responsibilities for all or a specific area or portion of the Subdivision and who accept such powers and responsibilities in writing. All such assignments and agreements to accept the obligations of Grantor shall be recorded, filed with the Board and placed with the records of the Association. Each person or entity named as Grantor may exercise the rights of Grantor provided by these Restrictions for the area assigned, but no general power, such as the power to annex, shall be partially assigned.

Section 1.09: House

The term "House" shall mean an Improvement located on each Lot consisting of a single family dwelling.

Section 1.10: Improvements

The term "Improvements" shall include, without limitation, buildings, outbuildings, (including sheds and storage buildings), roads,

driveways, parking areas, fences, retaining walls, stairs, decks, windbreaks, poles, antennas, signs, utility or communication installations (whether above or underground), and any structure and excavation of any type or kind.

Section 1.11: Lot

The term "Lot" shall mean each of the seventy-three (73) lots designated 1 through 73, inclusive, on the Plat and the Improvements located on each such Lot. The term "Mortgage" shall mean a deed of trust, as well as a mortgage, and the term "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust, as well as a Mortgagee.

Section 1.13: Notice

The term "Notice" shall mean a notice delivered pursuant to the requirements of these Restrictions.

Section 1.14: Owner

The term "Owner" shall mean the persons or entities, including Grantor, holding the beneficial ownership the fee of a Lot, including the purchaser under a contract of sale, and shall not include persons holding only a security interest or a seller under a contract of sale. For the purposes of the Article entitled, "Permitted and Prohibited Uses of Property," unless the context otherwise requires, "Owner" shall include the family, invitees, licensees and tenants of any Owner.

Section 1.15: Open Space

The term "Open Space" shall mean that portion of the Plat designated as "Common Open Space (1.435 Ac.)" and "Park (8.954 Ac.)".

Section 1.16: Plat

The term "Plat" shall mean the Preliminary and Final Subdivision Plat for La Mariposa Subdivision recorded in the Santa Fe County, New Mexico real estate records on 27 July 1988.

Section 1.17: Subdivision

The term "Subdivision" shall mean the subdivision created by this Declaration, as it exists from time to time.

Section 1.18: Subdivision Restrictions

The term "Subdivision Restrictions" shall mean, with respect to all property within the Subdivision, the limitations, easements, restrictions, covenants, and conditions set forth in this Declaration, as this Declaration may from time to time be amended. The term "This Declaration" and the title to this Declaration shall have the same meaning as "Subdivision Restrictions."

Section 1.19: Subdivision Rules

The term "Subdivision Rules" shall mean the rules made by the Board pursuant to the authority granted by the Subdivision Restrictions and from time to time in effect pursuant to the provisions of the Section entitled, "Subdivision Rules."

Section 1.20: Record: Recorded

The term "Record" or "Recorded" shall mean, with respect to any document, that the document shall have been recorded in the office or offices of the Recorder of Santa Fe County.

ARTICLE 2: Property Subject to Subdivision Restrictions

That certain real property located in Santa re County, State of New Mexico, which is described as follows:

All of the property shown on the PRELIMINARY AND FINAL SUBDIVISION PLAT LA MARIPOSA SUBDIVISION, recorded in the Santa Fe county Real Estate Records on 27 July,1988 in Book 189, as Document No.655,469

ARTICLE 2A: Annexation of Property¹

Grantor may, from time to time, and in its sole discretion, and without necessity of any approvals, annex real property which is contiguous to the Subdivision, which is owned by grantor, or owned by other persons with the permission of such other persons, to the La Mariposa Homeowners, Association, Inc., and subject the property to those Restriction, whereby such property will have all of the rights and obligations of membership in the Association, including tap right to use the community streets and common areas. The annexation of any such property shall become effective when grantor shall have recorded in the Santa Fe County, New Mexico, real estate records, a declaration which describes the real property to be annexed and declaring that such property be held pursuant to the La Mariposa Restrictions, and the filing of a subdivision plat of the property.

No property may be incorporated into the Association without grantor's consent and thereby entitled to the use of the community streets or the common areas unless consented to by a majority of the voting power of the Association.

ARTICLE 3: Permitted and Prohibited Uses of Property Section

Section 3.01: Permitted Uses of Property Within the Subdivision

a. Improvements and development on each Lot within the Subdivision shall be limited to a detached residential single family dwelling, associated parking, garages, roads and access ways, landscaped areas, recreational areas, improvements incidental to residential use and all public or private service and utility facilities related to such uses, including, but not limited to, drainage, sewer, gas, water, electric and communication facilities. Solar Houses are encouraged. single family dwellings shall have at least 1,600 square feet of heated living area. Each House shall be occupied by no more than one (1) family and no House shall be used as a boarding house or divided into apartments or rooms for rental purposes. This subsection does not prevent the rental or lease of the whole House by the Owner thereof, but any such rental or lease must be by a written agreement which requires the tenant to observe the Subdivision Restrictions and Subdivision Rules and makes a breach of the Subdivision Restrictions, a breach of such rental agreement or lease. No House may be leased or rented for a period of less than thirty (30) days.

b. The native growth of the property, including but not limited to cacti, pinon and juniper trees, shall not be destroyed or removed, except such native growth as it may be necessary to remove for the construction and maintenance of roads, driveways, dwellings and other

¹ Added by First Amendment to La Mariposa Restrictions 25-Aug-1988.

approved structures unless written permission be first obtained from the Committee. Green areas, gardens, lawns, and outdoor pool areas shall not exceed fifteen percent (15%) of the Lot area.

c. Grantor shall, until all original Lots have been sold and surveyed, have all of the rights of use set out in the Article entitled, "Limitation of Subdivision Restrictions on Grantor."

Section 3.02: Prohibited Uses of Subdivision

a. In no event shall the Subdivision be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth.

b. No illegal, noxious or offensive activity shall be carried on within the Subdivision. No light shall be emitted from or within the Subdivision which is unreasonably bright so as to cause unreasonable glare onto another Lot. No sound shall be emitted on or within the Subdivision which is unreasonably loud or annoying. No odor shall be emitted within the subdivision which is noxious or offensive to others. Nothing shall be done or placed within the Subdivision which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their Houses.

c. No signs visible from neighboring Houses or Community Streets, shall be erected or maintained upon any Lot, except:

1. Such signs as may be required by legal proceedings or are useful for such proceedings.

2. During the time of construction of any structure or other Improvement, job identification signs having a maximum face area of eight (8) square feet per sign and of the type usually employed by contractors, subcontractors, and tradesmen.

3. Appropriate safety, directional, and identification and safety signs installed adjacent to community streets or public rights-of-way by Grantor, the Association, the City, the County or required by law.

4. Not more than one "for sale" or "for rent" sign having a maximum face area of six (6) square feet on each Lot.

5. Such residential or commercial identification signs as Grantor has the right to maintain, or as are specifically approved by the Board in accordance with the rules adopted by the Board.

d. No modular home, prefabricated structure, mobile home or similar facility or structure shall be kept, placed, or maintained within the Subdivision at any time. No temporary house, dwelling, garage, outbuilding, trailer or other similar structure may be placed or erected within the Subdivision. The provisions of this subsection shall not apply to temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any work or improvement permitted by this Declaration.

e. Any outside clothes lines or other outside clothes drying or airing facilities shall be maintained exclusively within a screened area in such a way as not to be visible from streets and the ground floor of neighboring Houses.

f. No garbage, clippings from trees, shrubs or lawns, trash, ashes or other refuse may be thrown, dumped or allowed to accumulate on any land within the Subdivision. There shall be no burning of refuse out of doors, except for the burning of natural materials in connection with land clearance or fire control. No incinerators or other device for the burning of refuse indoors shall be constructed, installed or used by any person except in conformity with law and approved by the Board.

g. All exterior spot or directional lighting of any sort, the light source of which is visible from neighboring Houses, shall be approved, in writing, by the Committee prior to installation.

h. AMENDEDⁱ (6-Sep-1988) AND REPLACED WITH THE FOLLOWING: No exterior antenna of any sort, including satellite dishes, shall be installed or maintained on any House or within the Subdivision, except those devices which are erected, installed, placed or maintained and used entirely under the eaves or enclosed within a building or structure or screened from view from other Lots and streets, or which are otherwise specifically authorized by the Subdivision Rules. Notwithstanding the foregoing, TV antennas (but not satellite dishes) may extend two (2) feet above the parapet. This provision shall remain enforceable even if enforcement action is not commenced within the time limitations otherwise provided by the Subdivision Restrictions.

i. No mechanical or other device, including solar panels, shall be installed or maintained on the roof or exterior surface of any House if such device is visible from the street or streets which the House faces or from adjoining Houses, unless screened or enclosed, or otherwise approved by the Architectural Control Committee.

j. No vehicles of any type shall be permanently or semi-permanently parked in any portion of the Subdivision visible from other Houses for purposes of repairs or reconstruction, or storage.

k. No trucks or other commercial vehicles, motorcycles, campers, motor homes, boats, trailers or similar vehicles shall be kept or maintained in the Subdivision, except within garages, and except where customary or required for the limited purposes of building, repairing, refinishing, or maintaining the Subdivision or a House, or for the purpose of moving household goods or other necessary or customary furnishings, equipment or supplies in or out of the Subdivision.

l. Except temporarily during a construction period, all utility lines, including, but not limited to, electrical, gas, telephone, cable television, and other communications systems shall be underground, except for access ports and aboveground transformers.

m. No portion of the Subdivision shall be used for any purpose or in any manner which would increase the rate at which insurance against loss or damage by fire and the perils covered by extended coverage, bodily injury, property damage liability insurance, covering any other House may be obtained, or cause any other House to be uninsurable or have such insurance cancelled or suspended.

n. No Owner may change the grade of his Lot or alter the topography or terrain of his Lot in a manner which would interfere with drainage ways provided for in the Grading and Drainage Plans for La Mariposa Subdivision prepared by Tierra Engineering (the "Drainage Plan") and on file with the County of Santa Fe.

o. AMENDEDⁱⁱ (25-July-1989) DELETED AND REPLACED WITH THE FOLLOWING: No structure shall exceed eighteen (18") in height, measured from the highest natural undisturbed ground level adjacent to the House, except for Lots 69 to 73, inclusive, where no structure shall exceed fifteen (15") in height, measured from the highest natural undisturbed ground level adjacent to the house.ⁱⁱⁱ

p. Any tanks for use in connection with any residence, including tanks for the storage of liquified petroleum gas and fuel oil, gasoline or oil, must be buried or concealed by walls or fences so as to conceal them from view from other Lots, roads and streets. No other tanks of any kind shall be erected, placed or permitted within the Subdivision.

q. No wind-driven machinery for the generation of power or other use or purpose shall be placed on any Lot without the prior written

approval of the Committee.

r. Except as provided herein, no animals of any kind may be kept on any Lot, whether for personal or commercial purposes. Each Lot may have a maximum of two dogs and/or cats more than sixteen (16) weeks old. No animals may be kept or maintained on any Lot in any manner or number which is a nuisance or offensive to the neighboring Lots, whether by reason of noise, habits, odors, or otherwise, anything to the contrary hereinabove notwithstanding. Enclosures for animals shall be subject to approval by the Committee. Small household pets which remain inside the residence on a Lot, such as caged birds, aquarium fish, guinea pigs, shall be allowed at the Lot owner's discretion so long as the "nuisance" portions of this provision are not violated.

s. No business or commercial activity of any nature shall be conducted upon or from any Lot, except that home occupations shall be permitted if such activity is inoffensive to owners of other Lots in the Subdivision and complies with local zoning laws.

t. Surface drainage courses within Lots are to remain in their natural state, except for diversion approved by the Committee. Governmental authorities reserve the right to alter and maintain drainage systems so as to protect roadways.

u. As different types of energy conservation systems become effective, their use will be encouraged with respect to all structures. New solar systems, wind systems and other energy generating systems should be considered as they become feasible and efficient.

v. No hunting shall be permitted within the Subdivision, and no discharge of firearms shall be permitted except in self-defense.

w. No water wells whatsoever may be drilled within the Subdivision. Every Purchaser of a Lot within the Subdivision specifically waives his right to drill a domestic water well. No water rights may be transferred to permit a diversion of water onto the Subdivision.

Section 3.03: Common Area: Uses: Restrictions

The Common Area shall be reserved by the Association for the benefit of all Owners pursuant to this Declaration to enhance the value and desirability of the Subdivision, for vehicular and pedestrian access to the Lots, for watering, planting, cutting, removing and otherwise caring for the landscaping, for maintaining the security of the Subdivision and for installing, maintaining and repairing signs identifying the Subdivision and utility lines necessary for the maintenance of the landscaping, subject, however, to the following limitations and restrictions:

a. The use of Common Area may be subject to the Subdivision Rules as may be adopted from time to time.

b. The Common Area shall be subject to the following:

1. Such rights and easements as may have been offered for dedication to public use:

2. Such easements as may have been reserved by Grantor:

3. Such easements or other interests as may from time to time be taken under power of eminent domain; and

4. Such other easements as may from time to time be granted or conveyed by the Association pursuant to this Declaration.

c. There shall be no improving, landscaping, decorating, or repairing of any Common Area except by the Association in conjunction with the latter's maintenance of Common Areas.

d. The Association shall have the right to control access to the Common Areas, however, not to impair the owner's right to access to their Lots.

e. All or a portion of the Common Areas may be dedicated to the City of Santa Fe, the County of Santa Fe, or other governmental body if approved by a sixty-six percent (66%) vote or written consent of the voting power of the Association and evidenced by a written consent to dedication executed and acknowledged by the Board and recorded.

Section 3.04: Encroachment Easements

Should minor variations between Lot lines as shown on the Plat and actual physical Lot boundaries (such as walls, including interior party walls, and fences) occur, either due to original construction, reconstruction, repair or due to the settling, shifting or movement of Improvements, a valid easement shall exist for the encroaching Improvements for so long as the encroachment exists. Each Owner and the Association shall have an easement on the adjoining portions of the Subdivision if reasonably necessary, to maintain, repair and reconstruct Improvements on an Owner's Lot.

Section 3.05: Decorative Feature Easements

The Grantor and the Association shall have an easement within the building setback lines on the corner of each Lot which is located at an intersection of streets withi;l the Subdivision or at the entry of the Subdivision to install decorative entrance treatments and street signs.

ARTICLE 4: Membership in the Association Voting Rights

Section 4.01: Membership

a. Each Owner, by virtue of being an Owner and during such time as such Owner remains an Owner, shall be a member of the Association.

b. The rights, duties, privileges, and obligations of an Owner as a member of the Association shall be those set forth in, and shall be exercised and imposed in accordance with the provisions of this Declaration and the Association's Articles of Incorporation and By-Laws.

Section 4.02: Classes of Membership

The Association shall have two (2) classes of membership, Class I and Class II.

Class I. All members shall be Class I members, except the Grantor, and shall be entitled to one (1) vote for each Lot owned. When more than one person or entity is an Owner of any Lot, all such persons shall be members. The vote for such Lot shall be exercised as such Owners determine, and in no event shall such multiple Owners vote more votes than they are entitled by the Lots owned.

Class II. The Grantor shall be the only Class II member and shall be entitled to four (4) times the votes as set out under Class I, above, for each Lot owned by Grantor prior to the initial conveyance of such Lot by Grantor (the assignment or conveyance of all of Grantor's interest in the Subdivision shall not be such an initial conveyance). The Class II membership of Grantor shall be converted to Class I member and Grantor's Class II membership shall forever terminate upon the sale by Grantor of 55 Lots.

Section 4.03: Voting Rights

Each Owner shall be entitled to vote as provided in this Article on all matters properly submitted for vote to the membership of the Association. Every Owner entitled to vote at any election of members of the Board may cumulate his votes and give any one or more candidates a number of votes equal to the number of votes to which the Owner is entitled, multiplied by the number of Directors to be elected. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of the beneficial interest of the fee of any Lot to a new Owner shall operate to transfer the appurtenant voting rights without the requirement of any express reference thereto. Voting may be by written proxy.

Section 4.04: Voting Rules

When any provision of the subdivision Restrictions calls for the vote or the consent of the members in any stated percentage, the following rules apply, unless the specific language of the provision provides to the contrary:

a. Whenever a vote of the members is required, it is sufficient to obtain the written consent of the same percentage of members; and

b. The percentage requirement shall be a percentage of the total voting power of the Association or of the total voting power of the required class or group and not a percentage of the number of members of the Association, class or group.

Any provision of this Declaration requiring a vote by the members shall be satisfied if the required percentage or number of members give their written consent. In any election held pursuant to the requirements of this Declaration, ballots may be transmitted to Owners in the manner provided for the giving of notice.

ARTICLE 5: Organization, Powers and Duties of the Association

Section 5.01: Organization

a. The Association shall be organized as a nonprofit corporation charged with the duties and empowered with the rights set forth herein. The Association's affairs shall be governed by this Declaration, the Articles of Incorporation and the By-Laws.

b. In the event that the Association, as a corporate entity, loses its corporate powers or is dissolved, a nonprofit, unincorporated association shall forthwith and without further action or notice, be formed and shall succeed to all the rights and obligations of the Association hereunder until a qualified nonprofit corporation is formed. Said unincorporated association's affairs shall be governed by the laws of the State of New Mexico, and to the extent not inconsistent therewith, by this Declaration, the Articles of Incorporation and the By-Laws respectively, as if they were created for the purpose of governing the affairs of an unincorporated association.

c. The President and Secretary of the Association, or any three (3) members of the Board of Directors, may execute, acknowledge and record a certificate of identity stating the names of all of the members of the then current Board and the then current Architectural Control Committee. The most recently recorded affidavit shall be conclusive evidence of the identity of the persons then composing the Board and Architectural Control Committee in favor of any person relying thereon in good faith.

d. The initial Board shall serve until the second annual meeting of the Members, at which time the Board shall be elected by the Members.

e. The affairs of the Association shall be managed by the Board of Directors, which shall exercise all of the rights and powers and perform all of the duties and responsibilities set out in this Declaration for the Association.

Section 5.02: Powers and Authority of the Association

The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in its Articles of Incorporation, its By-Laws and in this Declaration, to do any and all lawful things which may be authorized, required, or permitted to be done by the Association under and by virtue of the Subdivision Restrictions and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety, and general welfare of Owners.

a. Any of the following actions by the Board shall require a majority vote or written assent of the voting power of the members:

1. Entering into a contract for the furnishings of goods or services for Common Area or the Association for a term longer than one (1) year with the exception of prepaid casualty or liability policies of not to exceed three (3) years. duration provided that the policy permits short rate cancellation by the insured:

2. Incurring aggregate expenditures for capital improvements to Association property in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year:

3. Selling personal property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; and

4. Paying compensation to members of the Board or officers for services performed in the conduct of the Association's business provided that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

b. In fulfilling, all of its obligations or duties under the Subdivision Restrictions, including, without limitation, its obligations or duties for the maintenance, repair, operation, or administration of the Common Areas, the Association shall have the power and authority:

1. To contract and pay for, or otherwise provide for. the improvement, maintenance, restoration, and repair of the Common Area and all Improvements located thereon:

2. To obtain, maintain, and pay for such insurance policies or bonds, whether or not required by this Declaration, as the Association shall deem to be appropriate for the protection or benefit of the Subdivision, the Association, the members of the Board, and the Owners:

3. To incur indebtedness; but any indebtedness in excess of the Association's estimated gross revenue for the year incurred or any indebtedness to be repaid over a period longer than one (1) year must be approved by a two-thirds (2/3) vote of the voting power of the members:

4. To contract and pay for, or otherwise provide for, such utility services, including, but without limitation, water and electrical services, as may from time to time be required:

5. To contract and pay for refuse service for the Lots, as the Board deems appropriate. The Board may contract for such service, and

arrange to have individual Owners pay for such service, or the Board may contract for such service, and charge only those Lot Owners using the service.

6. To contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys, bookkeepers and certified public accountants, for the services of security personnel and such other professional and nonprofessional services as the Association deems necessary;

7. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment, and labor as and to the extent the Association deems necessary;

8. To pay and to discharge any and all liens from time to time placed or imposed upon any Common Area, or on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation, or administration;

9. To lease or contract for the use of land and Improvements for recreation or other purposes to the extent the Association deems necessary;

10. To place and maintain upon Common Area security control booths or equipment, and such signs as the Association may deem necessary for the identification of the Subdivision and/or roads, the regulation of traffic, including parking, for the health, welfare and safety of owners and other persons: and

11. If determined by the Board to maintain privacy walls abutting Community Streets, public Streets or the Park.

c. In fulfilling any of its obligations or in exercising any of its rights with respect to the development, construction, installation or acquisition of a capital improvement, the Association shall have the power and authority:

1. To contract and pay for such Improvements upon such terms and conditions as the Association shall deem appropriate;

2. To obtain, maintain, and pay for such insurance policies or bonds as the Association may deem appropriate for the protection and benefit of the Association, the members of the Board, and Owners, including, but without limitation, builder's risk insurance, additional comprehensive liability insurance, workman's compensation insurance, and performance and fidelity bonds;

3. To incur indebtedness under terms and conditions as provided by this Article; and

4. To contract and pay for the services of architects, engineers, attorneys, and certified public accountants, for the services of security personnel and other professional and non-professional services.

d. With respect to the Common Area and subject to the rights of Owners therein in the event of a termination of the restrictions, the Association shall exercise control over the Common Area, but only for the purpose of carrying out the purposes of these Restrictions. The Association shall have no authority to mortgage, sell or convey Common area or any part thereof, unless approved by the two-thirds (2/3) vote of the voting power of the Association except that the Association shall have the power and authority from time to time without a vote of the members to grant and convey easements or rights of way, in, on, over, or under any Common Area, for the purpose of constructing, erecting, operating and maintaining thereon, therein, and thereunder wires, conduits and other equipment for the transmission of electricity and signals for lighting, heating, power, communication, cable television and other purposes, and for the necessary attachments in connection therewith; and public and private sewers, storm water ponding areas, storm water drains, storm water ponding areas, lard drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection with the foregoing. However, the Association shall have no power or authority to deprive the Owners of access to their Lots over the Community Streets.

e. The Association may, from time to time and upon such terms and conditions as it may deem appropriate, agree with the governing body of any other subdivision to jointly manage the affairs of the Subdivision, to jointly hire a manager, or jointly to engage in other activities not inconsistent with the Subdivision Restrictions.

f. The Association shall have the right from time to time to pay, compromise, or contest any and all taxes and assessments levied against all or any part of the Common Area any income of or assessed to the Association, and upon any personal property belonging to or assessed to the Association.

g. The Association shall have the power and authority from time to time, in its own name, on its own behalf, and on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach of threatene^d breach of the Subdivision Restrictions and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration.

h. The Association shall have the power, but not the duty, to enter upon and maintain, or provide for the maintenance of, any Lot and House which is not maintained by the Owner thereof in accordance with the requirements of these Restrictions, at the expense of any such Owner.

Section 5:03: Subdivision Rules

a. The Board may, from time to time and subject to the provisions of the Subdivision Restrictions, adopt, amend, and repeal rules and regulations, to be known as "Subdivision Rules" providing for:

1. The use of Common Areas, improvements and facilities which may from time to time be owned by the Association; and

2. The use of and access to Community Streets.

b. The Subdivision Rules may, without limitation and to the extent deemed necessary by the Association in order to preserve the benefits of the Subdivision for all Owners, their families, invitees, licensees, and lessees, restrict and govern the use of Improvements and recreational facilities, which may be owned by the Association, by any Owner, by the family of such Owner, or by any invitee, licensee, or lessee of such Owner on a non-discriminatory basis.

c. A copy of the Subdivision Rules, as they may from time to time be adopted, amended, or repealed, shall be delivered to each Owner in the manner provided for the giving of notice. Upon such delivery, the Subdivision Rules shall have the same force and effect as if they were set forth in and were a part of this Declaration.

d. Upon a determination by the Board that an Owner, or his guest, has violated any provision of this Declaration or of the Association's Articles of Incorporation, By-Laws, or Subdivision Rules, the Board shall suspend the voting rights, the use of Association facilities of the Owner and all persons using such Owner's privileges for a period not exceeding ninety (90) days. In the event of a delinquent assessment, suspension of voting rights shall be extended for the entire period of nonpayment. An opportunity for hearing before the Board upon at least ten (10) days' written notice will be given to any Owner whose privileges are sought to be suspended prior to the effective date of the suspension. Notwithstanding the foregoing, no Owner shall be deprived of, the right to access to his Lot over the Community Streets.

e. The Board shall have the power to adopt, amend and repeal, from time to time as part of the Subdivision Rules, rules and regulations which interpret or implement the provisions of Section 8.01.

Section 5.04: Liability of Members of Board

No member of the Board shall be personally liable to any owner, or to any other person, including Grantor, for any error or omission of the Association, its representatives and employees, or the manager; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

Section 5.05: Duties and Obligations of the Association

a. The Association shall have the obligation and duty, subject to the Subdivision Restrictions, to do and perform each and everything set out in this Section, for the benefit of the Owners and for the maintenance and improvement of the Subdivision.

b. The Association shall accept all Owners as members of the Association.

c. The Association shall accept from Grantor the Common Areas and maintenance responsibilities of all Common Areas, subject to the reservations of all easements, licenses and rights to use and the rights of Grantor.

d. The Association shall maintain, or provide for the maintenance of, Common Areas and all Improvements thereon, and all common drainage facilities.

e. The Association shall maintain or provide for the maintenance of all landscaping and vegetation (including without limitation, grass, mass plantings, shrubs and trees) on Common Areas and shall keep such vegetation properly trimmed, mowed, cut, watered, fertilized, planted and replaced so that it provides an attractive appearance.

f. The Association may contract for the provision of refuse collection from the Lots.

g. The Association may employ the services of a corporate or individual manager to manage the affairs of the Association and, upon such conditions as are otherwise advisable by the Association, the Association may delegate to the manager any of its powers under the Subdivision Restrictions. No management agreement entered into between the Association and any professional management company (whether or not such professional management company is owned or controlled by the Grantor) shall provide for a term in excess of two (2) years and all such agreements shall permit the Association to terminate for cause upon not more than thirty (30) days' prior written notice and all such agreements shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.

h. The Association shall obtain and maintain in force the following policies of insurance to the extent policies with the required provisions are economically available:

1. Fidelity Bond: The Association shall procure and maintain a fidelity bond naming the Association as obligee in an amount equal to the estimated maximum amount of funds to be in the custody or control of the Association or its professional management company, including reserves for replacement and working capital, at any given time during the term of such bond, but in any event in an amount at least equal to three (3) months' aggregate monthly assessments on all Lots plus the sum of all reserve funds. Such fidelity bond shall cover all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association, including the officers, directors, employees and agents of the professional management company employed by the Association pursuant to these Restriction. Provided, however, that the fidelity bond to be procured by the Association need not cover the professional management company and its officers, directors, employees and agents, if such professional management company provides a sufficient fidelity bond naming the Association as an additional obligee or gross

payee. Such bond shall contain a waiver of any defense or exclusion based upon the exclusion of persons serving without compensation from the definition of "employees" or other similar terms or expressions. Such bond shall require at least ten (10) days' prior written notice to the Association of cancellation or substantial modification (including cancellation for nonpayment of premiums). The cost of such fidelity bond (except for premiums on any fidelity bond provided by the professional management company which the Board determines to be satisfactory and in compliance with the provisions of this Section) shall constitute a common expense of the Subdivision.

2. Liability Insurance: The Association shall procure and maintain comprehensive public liability insurance in the amount of at least One Million Dollars (\$1,000,000) per single occurrence for bodily injury, death and property damage suffered by the public or any Owner and his family, guests, agents, employees or invitees occurring in, on or about the Common Areas or the Community Streets, driveways, roadways, sidewalks, and other passageways on or adjoining the Subdivision. Such policy shall insure the Owners and the Association and its officers, directors, employees and agents, including expressly the professional management company and its officers, directors, employees and agents and shall further expressly cover legal liability arising from lawsuits related to employment contracts of every nature to which the Association is a party. Such policy shall be issued by insurers of recognized responsibility authorized to do business within the State of New Mexico and shall require at least ten (10) days' prior written notice of cancellation or substantial modification (including cancellation for nonpayment of premiums) to the Association and to any Mortgagee having a first lien against any Lot which is listed as a scheduled holder of such a first mortgage in the policy. The cost of such policy shall constitute a common expense of the Subdivision. Such insurance must not provide for contribution with regard to any policies of liability insurance carried individually by any Owner.

3. Additional Insurance: The Board shall have the authority to obtain such other insurance, including the authority to increase the scope or amount of any insurance required by this Article 5, as the Board shall determine to be necessary or advisable. The cost of any such additional insurance shall constitute a common expense of the Subdivision.

i. The Board shall, from time to time, make, establish, promulgate, amend, and repeal the Subdivision Rules.

j. The Association shall prepare an annual operating statement reflecting the money received by the Association and the expenditures of the Association for each fiscal year and distribute such statement to each member and each Mortgagee upon request.

k. The Association shall take such action, whether or not expressly authorized by the Subdivision Restrictions, as may reasonably be necessary to enforce or carry out the purposes of the Subdivision Restrictions and the Subdivision Rules.

Section 5.06: The Association's Obligations to the City of Santa Fe

The Grantor has made certain commitments to the City of Santa Fe (the "City") with respect to the Subdivision pursuant to that certain Development Agreement between the City and the Grantor dated July 30, 1986 (the "Development Agreement"). Upon the recording of these Restrictions, the Grantor's obligations contained within the Development Agreement are hereby transferred and assigned to the Association, and the Association accepts these obligations. The Association and the Owners agree to be bound by the obligations contained within the Development Agreement, and to indemnify the Grantor from claims by the City with respect to the Development Agreement, except to the extent such claims result from the Grantor's negligence. Obligations of the Association and the Owners to the City are as follows:

a. After conveyance of the Community Streets to the Association, and during the period which the Association is responsible for maintenance of the Community Streets, and until such time as the Community Streets are dedicated to the City, if ever, the Association agrees to indemnify

and hold the City harmless from claims regarding the maintenance of the Community Streets;

b. The Association agrees to maintain a bond, escrow account, letter of credit or other instrument acceptable to the City, with the City as the beneficiary, which instrument shall be in the amount of one year's cost of maintenance of the Community Streets, and the purpose of which instrument is to assure the maintenance of the Community Streets;

c. The Association and the Owners agree to the annexation of the Subdivision into the City when the City determines annexation to be reasonable and appropriate;

d. Upon annexation to the City, the Association agrees to improve the Community Streets to the City's standards, and dedicate the Community Streets to the City, at the City's request, without cost to the City.

e. If, prior to annexation of the Subdivision to the City, the City institutes a general policy providing for recovery of costs associated with additional fire protection commitments outside of the City's limits, the Association agrees to collect and pay such assessment.

f. The Association and the owners understand and agree that the Development Agreement provides that rates for water service within the Subdivision may exceed rates for water service in other areas as a result of the Sangre De Cristo Water Company implementing some form of financial recovery or effluent return floe credit that is deemed to be forgone as a result of serving the Subdivision and/or differential water rates for serving new developments.

The Association's obligations pursuant to this article may not be amended without the consent of the Grantor and the City.

ARTICLE 6: Funds, Assessments and Delinquency

Section 6.01: Creation of Lien and Personal Obligation for Assessments

Grantor for each Lot owned by it hereby agrees to pay, and each Owner of any Lot by the acceptance of a deed or contract of sale therefor, whether or not so expressed in any such deed or contract or other conveyance, is deemed to agree to pay to the Association:

- a. Maintenance assessments;
- b. Delinquency assessments;
- c. Assessments for capital improvements; and
- d. All other fees or other moneys due to the Association from such Owner.

The maintenance assessment, delinquency assessment and assessment for capital improvements, plus interest, late charges, costs and attorney's fees, shall be a charge against the Lot and shall be a continuing lien upon the Lot against which each such assessment is made, and shall also be the personal obligation of the Owner(s) of such property on the assessment date. The personal obligation to pay assessments shall not pass to successors in title unless expressly assumed by them.

Section 6.02: Operating Fund

There shall be an operating fund, into which the Association shall deposit all monies paid to it as:

- a. Maintenance assessments;

- b. Delinquency assessments;
- c. Assessments for capital improvements;
- d. Miscellaneous income; and
- e. Income and profits attributable to the operating fund; and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 6.03: Maintenance Assessment

a. Within thirty (30) days prior to the commencement of the first fiscal year following the sale by Grantor of twelve (12) Lots within the Subdivision, the Association shall estimate the costs and expenses to be incurred by the Association in such year, including a reasonable provision for contingencies and reserves for major repair and replacement, and shall subtract from such estimate an amount equal to the anticipated balance, exclusive of any reserves for contingencies reserves for major repair and replacement, in the operating fund at the start of such year. The sum or net estimate so determined shall be assessed to all Owners in shares: one (1) share for each Lot owned. However, the Association may assess only Lot, using certain services, for example refuse service.

b. If, at any time and from time to time, during any fiscal year, the maintenance assessment proves or appears likely to prove inadequate for any reason, including nonpayment of any Owner's share thereof, the Association may levy a further maintenance assessment in the amount of such actual or estimated inadequacy, which shall be assessed to all Owners apportioned as provided in subsection a.

c. Maintenance assessments shall be due and payable to the Association when levied or in such installments during the year, and on such due dates as the Board shall designate.

d. The Board shall not levy assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year and which are not part of such budgeted gross expenses without the vote or written consent of a majority of the voting power of the members, except for extraordinary expenses incurred by the Association as a result of the Association's obligations to the City as contained in Section 5.06 hereof, which may be incurred and assessed to the members without the consent of the members.

e. From and after the December 31st immediately following the conveyance of the first lot by Grantor, the maximum maintenance assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous year without a vote of the majority of the voting power of the members. The percent of increase shall be cumulative from year to year so that an increase not used in one year may be used in a subsequent year without a vote of the members.

Section 6.04: Delinquency Assessment

The Association shall levy a delinquency assessment against any Owner or Owners as a result of whose acts, or failure or refusal to act, or otherwise comply with the Subdivision Restrictions, or the Subdivision Rules, monies were expended from the operating fund by the Association. Such assessment shall be in the amount so expended, and shall be due and payable to the Association when levied, or in such installments as the Association shall designate. Prior to the levy of a delinquency assessment the Board shall hold a hearing to determine the validity and amount of the assessment upon at least thirty (30) days notice to the Owner to be assessed at which hearing such Owner shall be given an opportunity to be heard.

Section 6.05: Assessments for Capital Improvements and Indebtedness

The Association may also levy in any year an assessment for paying or returning, in whole or in part, the cost or proposed cost of acquisition and construction of a described capital improvement (whether the improvements constitute real or personal property), in an amount greater than can be included in the maintenance assessment, provided it has been approved by a majority of the voting power of the members, which assessment shall be assessed to Owners as provided for in Section 6.01).

Section 6.06: Reserves as Trust Funds

Reserves for major repairs and replacements and for capital improvements to be built or acquired shall be kept segregated from the other monies held by the Association as trust funds in an account or accounts labeled "Reserve Trust Fund" and shall be withdrawn and used only for the purposes of major repairs and replacements or for capital improvements respectively, unless a different or other use is authorized by the vote of the members.

Section 6.07: Delinquency

Each assessment under this Article shall be the separate, distinct and personal debt and obligation of the Owner against whom it is assessed. Any assessment provided for in this Article, which is not paid when due shall be delinquent. With respect to each assessment not paid within ten (10) days after its due date, the Association may, at its election, require the Owner to pay a sum (late charge) to be determined by the Association, to pay the costs of handling the delinquent sum, but not to exceed Ten Dollars (\$10.00) per each delinquent assessment. Such a charge shall be considered an additional assessment and collectible with the assessment for which it was charged. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at a rate set from time to time by the Association, however not greater than twenty percent (20%) per annum, and the Association may, at its option, bring an action at law against the Owner or Owners personally obligated to pay the same, and upon compliance with the provisions of this Article to foreclose the lien against the Lot, and there shall be added to the amount of such assessment the late charge, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest at the rate provided herein and a reasonable attorney's fee, together with the costs of action. Each Owner vests in the Association, or its assigns, the right and power to bring all actions at law or lien foreclosure against such Owner or other Owners for the collection of such delinquent assessments.

Section 6.08: Notice of Lien

No action shall be brought to foreclose an assessment lien less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the office of the County Recorder in which the properties are located; said notice of claim must recite a good and sufficient legal description of any such lot, the record owner or reputed owner thereof, the amount claimed (which shall include the interest charges, costs and attorney's fees recoverable by an action at law) and the name and address of the Association.

Section 6.09: Foreclosure Sale

Any such sale provided for above is to be conducted in accordance with the customary practice of the court of the State of New Mexico, applicable to the foreclosure of Mortgages, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the Lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 6.10: Curing a Default

Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting owner of a fee, to be determined by the Association, not to exceed Fifteen Dollars (\$15.00), to cover the costs of preparing and filing or recording such release, together with the payment of such other costs, interest or fees as shall have been incurred.

Section 6.11: Cumulative Remedies

The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 6.12: Certificate of Payment

The Association shall, upon demand, furnish to any Owner liable for assessments, a certificate in writing signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 6.13: Commencement of Annual Assessments

The Grantor agrees to bear the expenses of the Association until the commencement of the Association's fiscal year following the sale of twelve (12) Lots within the Subdivision (the "First Assessment Year"), and therefore, there shall be no assessments until the First Assessment Year. Commencing with the First Assessment Year, the maintenance assessments provided for in this Article shall commence as to each Lot upon the sooner of (i) the first day of the month following commencement of construction of the Improvements on the Lot or (ii) three (3) years after construction of paving and utilities hat. been completed to the Lot. The first such annual assessment shall be plotted for each Lot for the period from the commencement as provided in this section to the start of the next fiscal year following such commencement.

ARTICLE 7: Duties and Responsibilities of Owners

Section 7.01: Owner's Responsibility to Repair

Each Owner shall be responsible for the maintenance and repair of his House and his Lot including, without limitation, the structure of, and surrounding the House, the glass doors, windows and screens, the structure interior, the plumbing, electrical, heating and air conditioning systems servicing the House, water laterals and septic systems serving the Lot to the junction of the lateral with the utility line in the street, the House's exterior and roof, including painting and surfacing, and for the prompt rebuilding of his House in the event of partial or complete destruction.

Section 7.02: Joint Maintenance by Owners

a. Each wall or fence which is placed on the dividing line between Lots shall constitute a party wall. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply.

b. The cost of reasonable repair, maintenance and replacement of a party wall or joint utility shall be shared by the Owners who make use of the wall in proportion to such use.

c. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the Lot and shall pass to such Owner's successors in title.

d. In the event of any dispute arising under the provisions of this Section, the Board shall arbitrate the dispute and its decision shall be final.

Section 7.03: Parking Areas. Vehicles

For overnight parking, each Owner shall park his vehicle in his garage, except that when there are more vehicles used by the Owner than his garage will accommodate.

Section 7.04: Maintenance of Landscaping

Each Owner shall maintain the landscaping on his lot in a neat and attractive manner. All grass, mass plantings and other plantings shall be mowed, trimmed and cut as necessary at regular intervals.

Section 7.05: Observance of Subdivision Restrictions and Rules

Each Owner shall comply with the Subdivision Restrictions and Subdivision Rules and will cause and be responsible for Owner's family, agents, guests, contractors, employees and any person renting or leasing Owner's House to do likewise.

Section 7.06: Rights of Action

Each Owner and the Association shall have a right of action against Owners for failure to comply with the provisions of this Article 7 of the Subdivision Restrictions.

ARTICLE 8: Construction and Architectural Control

Section 8.01: Architectural Control Committee

An Architectural Control Committee for the subdivision is hereby established consisting of the following three persons:

LLOYD N. STROSNIDER
ROBERT THOMAS HARTLEY
TIM STROSNIDER

The Committee shall serve at the pleasure of the Grantor who shall have the right to appoint, reappoint and discharge members of the Committee at will for as long as the Grantor is the Owner of any Lot or Lots within the Subdivision or until the Grantor relinquishes in writing its right to appoint the Committee, at which time the Committee shall be appointed and shall serve at the pleasure of the Board. A majority of the members of the Committee may appoint one member of the Committee to act on and for the Committee.

Section 8.02: Construction of Improvements

a. Before anyone shall commence on any Lot within the Subdivision the installation of, construction of, remodeling of, addition to, or alteration of any House, improvement, or structure of

whatsoever nature; and before anyone shall paint, texture, repaint or retexture the exterior surfaces of any House or Improvement and before anyone shall perform major landscaping on a Lot, there shall be submitted to the Committee plans and specifications as follows:

1. Preliminary or tentative plans (including site plans, elevations, and floor plans) and specifications which shall clearly show the nature of the work or installation proposed and the location thereof, or the Lot, which such preliminary or tentative plans shall include sufficient description of materials, colors, textures, etc. as shall enable the Committee to evaluate whether the proposed construction, alteration, installation, etc. will harmonize with the motif and style of the Subdivision;

2. After approval of the preliminary or tentative plans, including therein any requirements made by the Committee in the due and proper exercise of its discretion and powers, two complete sets of the final plans and specifications; and

3. No Improvement visible from other Lots or Common Area, including installations, painting, texturing, remodeling, reconstruction, alteration or addition, including fencing and walls, shall ever be, or permitted to be, erected, constructed, installed, placed or maintained on any Lot within the Subdivision, unless and until the final plans, specifications and elevations therefor shall have received written approval of the Committee. Maintenance of previously approved Improvements shall not require Committee approval. All such final plans shall include plot plans showing the location of structures on the Lot of all Improvements proposed to be constructed and/or installed, planted, placed or maintained on the Lot and shall further include elevations showing all sides of the buildings, detailed floor plan, location and plans for garage and driveway, copy of E.I.D. application for waste disposal system and detailed plans for waste disposal system, together with the proposed color scheme and textures for roofs and exteriors thereof, indication the materials for same. The proposed location of all Improvements shall be staked on the ground prior to approval.

Houses shall be basically southwestern in style and painted, stuccoed or stained in neutral colors. Roofing materials shall be of a neutral color and shall be non-reflective. The Committee may establish a common format for mailboxes and street address signs.

No private road or driveway shall be constructed until two sets of plans have been submitted to the Committee showing the location, course and width of said private road or driveway and the approval of the Committee for the construction of said private road or driveway has been obtained. All driveways and private roads shall be surfaced by Lot owners with gravel base course or asphalt to prevent dust, and maintained so as to reduce erosion and eliminate unsightly conditions. All driveways shall be graded and sloped for proper drainage. All driveways shall have culverts large enough for proper drainage. A minimum 18" diameter culvert shall be installed where the driveway crosses the roadside ditch adjacent to the access road system for the Subdivision unless determined unnecessary by the Committee. All driveway access to lots must be by way of the Subdivision road system.

The Committee is authorized to charge not more than \$100.00 for review of plans and specifications. Payment of the required charge shall be a part of, and condition to, the submittal of plans and specifications for Committee approval.

b. The Committee shall approve or disapprove within ten (10) days after receipt thereof plans and specifications which have been submitted to it. One set of plans and specifications, with the Committee's approval of disapproval and requirements endorsed thereon, shall be returned to the applicant and the other copy thereof, with a duplicate endorsement thereon corresponding to the first set, shall be retained in the Committee's files. In the event that the Committee shall fail to approve or disapprove the plans, specifications and other information within Ten (10) days after receipt thereof by the Committee, then such approval shall not be required, provided

that no structure, building or other improvement shall be installed, erected, painted, textured, altered or modified which violates any of the Restrictions. The Committee shall have the right to disapprove any plans and specifications submitted to it for any one or more of the following reasons:

1. If the plans and specifications are not in sufficient detail or are incomplete.

2. If, in the opinion of the Committee, the architectural design of the proposed improvements as shown by the plans and specifications, plot plans, including exterior color scheme, or the location of any structure, is not in harmony with the general surroundings, or with the improvements, or proposed improvements, near or adjacent to the location at which said proposed improvements are intended to be erected.

3. If the roof is of either a material or style different than that specified by the Committee. Roofing materials and surfaces shall be of neutral color and non-reflective.

4. If the location or arrangement of any sewer disposal system would endanger or interfere with any public or utility facilities or improvements. The design of the Committee in such cases shall be final. All septic tanks and equipment must meet all government environmental requirements, including E.I.D. regulations and the requirements of the WDA.

5. If the solar collectors are not designed or located in an aesthetically pleasing manner or are not shielded from view from other lots as much as practicable.

6. If the work and/or structures sought to be approved are not consistent, in the discretion of the Committee, with the concept of a first class development.

7. If the plans and specifications are not in compliance with all requirements and provisions of this Declaration.

c. Construction of the Improvements shall commence within one (1) year of Committee approval or the approval shall be void. The exterior construction of the Improvement, including final color coat or paint, shall be fully complete within one (1) year after commencement of construction. No House shall be occupied in any manner while in the course of construction, or at any time prior to the time when the exterior is fully finished as herein required, and is fully functional for residential purposes. Nor shall any House be occupied until made to comply with the approved plans, and all other conditions and restrictions herein set forth. Upon completion of Improvements for which plans and specifications have been approved, the Owner shall notify the Architectural Committee in writing that the work is complete. The Architectural Committee will, within fifteen (15) days of receipt of the Completion Notice, inspect the completed work and take one of the following actions:

1. Send the Owner a notice of approval of work if the work is in conformity and compliance with the approved plans and specifications.

2. Send the Owner a notice of disapproval of work if the work is not in conformity and compliance with the approved plans and specifications, stating the particular grounds for such disapproval and the Owner shall be obligated to take such action as may be necessary to effect such compliance and conformity, without delay.

3. At the completion of any necessary corrections, the Architectural Committee will then reinspect the work within fifteen (15) days to approve or disapprove the correction.

d. If any Improvement or work is completed or done without compliance with this Article, such Improvement or work shall be deemed to have been done in compliance with this Article if no action has been commenced to enforce the provisions of this Article against such Improvement or work within one (1) year of its completion.

e. The Committee may, but shall be under no obligation to adopt, re-adopt, and modify from time to time guidelines and/or standards for approval of plans submitted to it pursuant to this Article. These Committee guidelines as they may exist from time to time shall have the same force and effect and shall be binding upon the Owners as if they were set out in these Restrictions. A copy of the Committee guidelines as they exist from time to time shall be kept with the Association's records, and shall be available for the Owners, upon request by the Owners.

f. Unless permitted by the Committee or permitted by the Subdivision's Development Plan approved by the County of Santa Fe Extraterritorial Zoning Commission as shown on the Plat, no Improvements constructed within the Subdivision shall exceed eighteen feet (18') in height, shall be constructed closer than thirty feet (30') to any property line.

g. The Committee may establish guidelines for property line walls, including prohibition of such walls. No fences or walls may be more than sixty inches (60") high or closer than twenty-five feet to any Lot line abutting a street. Fences and walls in excess of thirty inches (30") in height must be attached to the House and cannot enclose more than 6,000 square feet. No wire or metal mesh fencing is allowed.

Section 8.03: Estoppel Certificate

Within thirty (30) days after written demand is delivered to the Committee by any Owner, and upon payment therewith to the Association of a reasonable fee to cover costs from time to time to be fixed by the Association, the Committee shall provide Owner with an estoppel certificate executed by an officer of the Association and acknowledged, certifying with respect to any Lot owned by said Owner, that as of the date thereof either (1) all Improvements and other work made or done upon or within said Lot by the Owner, or otherwise, comply with this Declaration, or (2) such Improvements or work do not so comply, in which event the certificate shall also (a) identify the non-complying Improvements and work and (b) set forth with particularity the cause or causes for such noncompliance. Any purchaser from the Owner, or mortgagee or other encumbrancer shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between Grantor, the Association, and all Owners and such purchaser, and mortgagee.

Section 8.04: Liability

Neither the, Committee, the Board, the Grantor nor any member thereof shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of:

a. The approval of any plans, drawings, and specifications, whether or not defective,

b. The construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications,

c. The development or manner or development of any property within the Subdivision, or

d. The execution and recording of an estoppel certificate whether or not the facts therein are correct; provided, however, that the officer executing the certificate, with the actual knowledge possessed by him, has acted in good faith.

Without in any way limiting the generality of the foregoing, the Committee, Board, or any member thereof, may, but is not required to, consult with or hear any Owner with respect to any plans, drawings, or specifications, or any other proposal submitted to it.

ARTICLE 9: Protection of Security Interests

Section 9.01: Application of Assessments of Mortgages

The liens created under the Subdivision Restrictions upon any Lot shall be subject and subordinate to, and shall not affect the rights of a mortgagee under any recorded first mortgage upon a Lot made in good faith and for value, provided that after the foreclosure of any such mortgage the amount of all maintenance and special assessments, and all development assessments to the extent such development assessments relate to expenses incurred after such foreclosure, assessed hereunder to the purchaser at foreclosure sale, shall become a lien upon such Lot upon recordation of a notice thereof with the County Recorder.

Section 9.02: Right to Notice

The Association shall provide all Eligible Mortgagees with timely written notice of any delinquency in the payment of monthly assessments, special assessments or other charges due the Association by the Owner of a Lot which is subject to a first mortgage held, by any Eligible Mortgagee and which delinquency remains uncured for a period of sixty (60) days or more.

Section 9.03: Limitation of Enforcement Against Mortgagee

No violation by an Owner of the Subdivision Restrictions or enforcement of the Subdivision Restriction against an Owner shall defeat or render invalid the lien of any mortgagee made in good faith and for value against the property of such Owner, but, the Subdivision Restrictions shall be effective against any Owner whose title is acquired by foreclosure, trustee's sale, voluntary conveyance, or otherwise.

Section 9.04: Rights of Mortgagee to Information

A mortgagee shall, upon written request, be entitled to inspect the Declaration, By-Laws, Subdivision Rules, books and records of the Association on the same basis as a member. If a mortgagee furnishes the Association, in writing, with its address, it shall be entitled to receive within a reasonable time a financial statement in the form customarily prepared by the Association for the immediately preceding fiscal year, free of charge and shall receive notice of meetings on the same basis as members.

Section 9.05: Application of Subdivision Restrictions

Except as provided in this Article or specifically provided elsewhere in the Subdivision Restrictions, all Mortgages and Mortgagees are bound by the provisions of the Subdivision Restrictions.

ARTICLE 10: Limitation of Subdivision Restrictions on Grantor

Section 10.01: Limitation of Subdivision Restrictions on Grantor

Grantor is undertaking the work of constructing the Subdivision and incidental Improvements within the Subdivision. The completion of that work and the sale, rental and other disposition of the Lots and Houses is essential to the establishment of the Subdivision. In order that said work may be completed and said property be established and fully occupied as rapidly as possible, nothing in this Declaration shall be understood or construed to:

a. Prevent Grantor or its agents, employees, and contractors from doing on the properties whatever is reasonably necessary or advisable in connection with the completion of the work; or

b. Prevent Grantor or its agents, employees, and contractors from erecting, constructing and maintaining on any part or parts of the Subdivision, such structures as may be reasonably necessary for the conduct of its business of completing the work and establishing the Subdivision, including, without limitation, sales offices, model units, general business offices for its staff, employees and contractor, and storar3 and parking facilities for materials and equipment, and disposing of the Subdivision in parcels by sale or lease; or

c. Prevent Grantor from conducting on any part of the properties its business of completing the work, and of establishing and disposing of the Subdivision; or

d. Prevent Grantor from maintaining such sign or signs on the Subdivision as may be necessary for its sale, lease, or disposition, or the sale, lease or disposition of any Lot.

Grantor may assign its rights under this Article to third persons in the business of constructing Houses within the Subdivision.

Section 10.02: Use of Subdivision Name

Grantor may use the name of the Subdivision and the Subdivision Restrictions in other subdivisions or projects, whether located adjacent to the Subdivision or not, provided such names have a distinctive number or other designation so that they are not identical with the names of the Subdivision and Association. Consent is hereby given to Grantor and Grantor's assigns to use such names of a Corporation and upon request of Grantor, the Association agrees to execute a written consent authorizing Grantor to use the same or similar name which Consent will be filed with the State Corporation Commission and upon request of Grantor, the Association agrees to execute a written consent authorizing Grantor to use the same or similar names which consent will be filed with the State Corporation Commission.

Section 10.03: No Amendment or Repeal

The provision of this Article may not be amended or repealed without the consent of Grantor.

ARTICLE 11: Miscellaneous Provisions

Section 11.01: Amendment of Repeal: Duration

a. These Restrictions and any provisions thereof which is in effect with respect to all or part of the Subdivision, may be amended or repealed in the following manner:

1. The approval by seventy-five percent (75%) vote or written consent of the voting power of the members in the Association; and

2. The recordation of a certificate of the Secretary or an Assistant Secretary of the Association setting forth, in full, the amendment or amendments so approved, including any portion or portions of this Declaration repealed, and certifying that such amendment or amendments have been approved by the required vote or consent of the Owners.

At any time during which Grantor or Declarants are the only owners of property within the Subdivision, Grantor may amend or correct these Restrictions by a recorded instrument of amendment or correction.

b. All of the provisions of these Restrictions shall continue and remain in full force and effect at all times with respect to all property, and each part thereof, included within the Subdivision, to the Owner and to the Association subject, however, to the right to amend and terminate as provided for in this Article, through December 31, 2040; provided that these Restrictions shall terminate if, within one (1) year prior to December 31,

2040, there shall be recorded an instrument directing the termination of these Restrictions signed by two-thirds (2/3) of the Owners of record title. These Restrictions in effect immediately prior to the expiration date shall, subject to the provisions of Section 11.01a., be continued automatically without any further notice, for additional periods of ten (10) years unless within one (1) year prior to expiration of such periods these Restrictions are terminated as set forth in this Section.

Section 11.02: Enforcement: Nonwaiver: No Forfeiture.

a. Except to the extent otherwise expressly provided herein, the Association or any Owner or Owners shall have the right to enforce any and all of the provisions now or hereafter imposed by the Subdivision Restrictions upon other Owners, or upon any property within the Subdivision.

b. Except to the extent otherwise expressly provided herein, any Owner or Owners shall have the right to enforce any and all of the provisions now or hereafter imposed by the Subdivision Restrictions upon the Association.

c. Every act or omission whereby any restriction, condition, or covenant of the Subdivision Restrictions is violated, in whole or in part, is hereby declared to be and to constitute a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by the Association or by an Owner or Owners, as provided for in this Section. Any provisions to the contrary notwithstanding, only the Association or its duly authorized agents may enforce by self-help any limitation, restriction, covenant, condition, or obligation herein set forth.

d. Each remedy provided for in the Subdivision Restrictions is cumulative and not exclusive.

e. The failure to enforce the provisions of any limitation, restriction, covenant, condition, obligation, lien, or charge of the Subdivision Restrictions shall not constitute a waiver of any right to enforce any such provision or any other provision of the Subdivision Restrictions.

f. No breach of any of the provisions of the Subdivision Restrictions shall cause any forfeiture of title or reversion or bestow any rights of re-entry whatsoever.

g. Reasonable attorney's fees and costs may be awarded in any action brought to enforce the provisions of the Subdivision Restrictions.

Section 11.03: Construction: Compliance with Laws: Severability: Singular and Plural: Titles

a. All of the limitations, restrictions, covenants, and conditions of the Subdivision Restrictions shall be liberally construed, together, to promote and effectuate the beneficial operation of the Subdivision.

b. No provision of the Subdivision Restrictions shall be construed to excuse any person from observing any law or regulation of any governmental body having jurisdiction over such person or the Subdivision.

c. Notwithstanding other provisions in this Section, the limitations, restrictions, covenants, and conditions of the Subdivision Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision, or portion thereof, of any of such limitations, restrictions, covenants, or conditions shall not affect the validity or enforceability of any other provision.

d. The singular shall include the plural and the plural, the singular, unless the context requires the contrary, and the masculine, feminine and neuter, as the context requires.

e. The table of contents and all titles used in the Subdivision Restrictions, including those of Articles and Sections, are intended solely for convenience of reference and the same shall not, nor shall any of them affect that which is set forth in such Articles, Sections, nor any of the terms or provisions of the Subdivision Restrictions. Any numbered or lettered subdivision of a Section is referred to as "subsection" or "subsection__" and any indented portion of this Declaration which is unnumbered and unlettered shall be referred to as "Paragraph."

Section 11.04: Lot Splitting: Consolidation

- a. No Lot within the Subdivision shall be split.
- b. No two or more lots within the Subdivision shall be consolidated into one Lot unless the Board shall have given its written consent.
- c. Nothing contained in this Section shall apply to the splitting of any Lots by Grantor or the consolidation of two or more Lots into one Lot by Grantor.

Section 11.05: Obligation of Owners Avoidance: Termination

- a. No Owner, through the abandonment of his Lot, may avoid the burdens or obligations imposed on him by the Subdivision Restrictions by virtue of his being an Owner.
- b. Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such Lot after the date such transfer is recorded, provided such transferring Owner notifies the Association of the transfer as provided by the Subdivision Restrictions, and no person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under the Subdivision Restrictions following the date of such termination.

Section 11.06: No Partition or Severance of Interests

There shall be no partition or severance of any Lot, from the Subdivision and the Grantor, Board, Association and Owners shall not seek to partition or sever any part of a Lot from the Subdivision, nor shall they have any right to maintain an action for judicial partition in connection with the Subdivision unless such right is expressly given by the Subdivision Restrictions. This provision shall not prevent the partition of any Lot or Lots held in joint ownership as long as no physical partition takes place and there is no severance from any incident of the Subdivision Restrictions. No owner shall sever his Lot from its interest in the Association.

Section 11.07: Notices: Documents: Delivery

Any notice or other document permitted or required by the Subdivision Restrictions to be delivered may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed as follows:

If to an Owner: At any Lot within the Subdivision owned by the Owner or at such other address given by Owner to the Association, in writing.

If to Grantor or to the Association: Suite 275, 6121 Indian School Road, N.E., Albuquerque, New Mexico 87110.

Any such address may be changed from time to time by any Owner, or by Grantor by notice in writing, delivered to the Association, or by the Association, by notice in writing, delivered to all Owners.

Section 11.08: Ownership of Property

All funds and facilities provided for by the Subdivision Restrictions and all property of any kind held by the Association and derived from assessments of members, proceeds of insurance carried or obtained by the Association, proceeds of bonds payable to the Association or payment received for damages to the Subdivision, and any right or interest in any such property shall belong to the Owners proportion to each Owner's share of the maintenance assessment, and no assessment or the proceeds of any assessment shall be considered income to the Association. No person has any right to appropriate or make use of such property, except as provided by the Subdivision Restrictions until and unless there has been a partition or distribution of such property. All such property shall be appurtenant to each Lot in proportion to each Lot's share of the maintenance assessment and may not be severed or separated from any Lot, and any sale, transfer, or conveyance of the beneficial interest of the fee of any Lot shall operate to transfer the Owner's rights in such property without the requirement of any express reference thereto.

Section 11.09: Transfer of Common Area: Reservation of Easements and Rights of Way

Within one year of the Recording of this Declaration, Grantor shall transfer and convey to the Association, and the Association shall accept, the Common Areas. The Common Areas and all improvements located thereon are transferred to the Association without representation or warranty, and the Association agrees to accept the Common Areas "as is". The Common Areas may be subject to any or all of the following exceptions, liens, and encumbrances:

- a. The lien of real property taxes and assessments not delinquent;
- b. Such easements and rights of way may have been offered for dedication to a political subdivision or public organization, or public utility corporation;
- c. Such easements and rights of way, licenses or rights of use on, over, or under all or any part of any such property or structures or Improvements thereon as may be reserved to Grantor or granted to any Owner for the use thereof in accordance with the provisions of these Restrictions;
- d. Obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution, or regulation of the United States of America, the State of New Mexico, or any other political subdivision or public organization having jurisdiction over such property, or by virtue of any organization or body politic created pursuant to any such statute, law, ordinance or regulation; and
- e. Any other lien, encumbrance, or defect of title of any kind whatsoever (other than of the type which would, at any time, or from time to time, create a lien upon such property to secure an obligation to pay money) which would not materially and actually prejudice Owners in their use and enjoyment of such property.

Section 11.10: Access to Lots

No Lot shall have access from that certain access road which runs from a point 50 feet north of USGLO brass cap marking the southwest corner of Section 9, T.17N., R.9E., N.M.P.M. in a northerly direction generally parallel to the west boundary of said Section 9 as more particularly described in that certain Quitclaim Deed recorded in the Santa Fe County real estate records on April 10, 1986, in Book 547, Pages 916, 917.

By-Laws of La Mariposa Homeowners' Association, Inc.

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Bylaws	Santa Fe County	1986-Jul-17	619660-619678

These By-Laws are made for the purpose of managing the affairs Of the La Mariposa Homeowners' Association, Inc. a New Mexico non-profit corporation, the RESTRICTIONS OF La Mariposa, hereinafter referred to as "Restrictions," as they may be amended from time to time and the Articles of Incorporation of this Corporation.

Article I: Offices

Section 1.01 Principal Office

The principal office for the transaction of business of the Corporation is hereby fixed and located at Suite 275, 6121 Indian School Road, N.E., Albuquerque in the County of Bernalillo, New Mexico 87110. The Board of Directors is hereby granted full power and authority to change the place of the principal office to another location within New Meltric.

Article II: Members' Meetings

Section 2.01. Place of Meeting

All meetings of the members shall be held within the La Mariposa subdivision (the "division") or at such other place within the County OF Santa Fe, as designated from time to time by resolution Of- the Board of Directors or written consent of all members of the Board. During any time no adequate facility is available `within the Subdivision, the Board may designate a meeting place outside the Subdivision but as close thereto as practicable.

Section 2.02: Annual Meetings

The first annual Meeting of the members shall be held on the 1st Tuesday of October of each year if not a legal holiday, and if a legal holiday, then on the next succeeding business day at the hour of 7:00 p.m. at which time the members shall: (i) commencing with the second annual meeting elect by plurality vote a Board of Directors, (ii) consider reports of the affairs of the Corporation, and (ill) transact such other business as may properly be brought before the meeting. The date and time of the annual meeting may be changed by Resolution of the Board.

Section 2.03: Special Meetings

Special meetings of the members, for any purpose or purposes whatsoever, may be called at any time by the President, or by the Board of Directors, or by any two or more members thereof, or by one or more members holding not less than twenty five percent (25%) of the voting power of the Corporation.

Section 2.04: Notice of Meeting

Notice of meetings, annual or special, shall be given in writing to members entitled to vote by the Secretary or the Assistant Secretary, or if there be no sub officer, or in a case of his neglect or refusal, by any director or member.

Such notices shall be sent to the member's address appearing on the books of the Corporation or supplied by him to the Corporation for the purpose of notice, not less than ten (10) days before such meeting.

Notice. of any meeting of members shall specify the place, the day and the hour of meeting, and in case of special meeting, in the manner provided by law, shall state the general nature of the business to be transacted.

Notice Of the business to be transacted shall also be given for any meeting at which the following matters are likely to be considered:

1. Lease or transfer of all or substantially all of the Corporation's assets,
2. Merger with another corporation,
3. Amendment of the Restrictions or Articles of Incorporation,
4. Dissolution of the Corporation, or
5. Plans for distribution of assets in connection with dissolution.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save, as aforesaid, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 2.05: Consent to Members' Meetings

The transactions of any meetings of members, however called and noticed, shall be valid as though had at a meeting duly held after regular call and notices if a quorum be present in person or by proxy, sign a written waiver of notice, or a consent to holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Any action which may be taken at a meeting of the members, except the approval of agreements to merge or consolidate with other corporations, may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting, for such purpose, and filed with the Secretary of the Corporation.

Section 2.06: Quorums

Members having twenty-five percent (25%) of the voting power of the Association either present in person, or represented by proxy, shall be a requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by law, by the Restrictions, by the Articles of Incorporation, or by these By-Laws. If, however, such majority shall not be present or represented at any meeting of the members, the members entitled to vote, present in person or by proxy, shall have power to adjourn the meeting from time to time, to a date not less than five (5) or more than thirty (30) days from the date of the adjourned meeting, until the requisite number of votes shall be present. At such adjourned meeting at which the requisite number of votes shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.07: Voting Rights: Cumulative Voting

Only members whose names stand on the records of the Corporation as entitled to vote on the day of any meeting of members, unless some other day be fixed by the Board of directors for the determination of members of record, then on such other day, shall be entitled to vote at such meeting.

Every member entitled to vote shall be entitled to the votes as set out in the restrictions, except that for the election of directors each member shall be entitled to a number of votes equal to the number of directors to be elected, multiplied by the number of votes which he is entitled to.

The election of Directors shall be by secret written ballot.

Section 2.08: Proxies

Every person entitled to vote or execute consents shall have the right to do so, either in person, or by an agent or agents authorized by written proxy, executed by such person or his duly authorized agent and filed with the Secretary of the Corporation. The manner of execution, revocation, and use of proxies shall be governed by the general provisions of law.

Section 2.09: First Members' Meeting

Notwithstanding any other provision of this Article 7.1, the first meeting of members, whether regular or special, all be held within twelve (12) months after the closing of sale of the first Lot.

Article III: Directors: Management

Section 3.01: Powers

Subject to the limitation of the Restrictions, Articles of Incorporation, of the By-Laws and of the laws of the State of New Mexico as to actions to be authorized or approved by the members, all corporate Powers shall be exercised by or under authority of, and the business and affairs of this Corporation shall be controlled by, a Board of Directors.

Section 3.02: Number of Directors

The initial number of Directors of the Corporation shall be three (3).

Section 3.03: Election and Tenure in Office

At the second annual meeting of members two (2) members of the Board shall be elected to serve one (1) year terms. The remaining member of the Board shall be elected for a two (2) year term and all subsequent elections for membership to the Board shall be for two (2) year terms. Their term of office shall begin immediately after election.

Section 3.04: Vacancies

Vacancies in the Board of Directors may be filled by a majority vote of the remaining Directors, though less than quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of members or at a special meeting called for that purpose.

The members may elect a Director to fill any vacancy not filled by the directors, and may do so at an annual meeting or special meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, in case of an amendment to these By-Laws increasing the number of Directors, or in case the members fail, at any time to elect the full number of authorized Directors.

If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board, shall have the power to appoint a successor to take office when the resignation shall become effective.

No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

Section 3.05: Removal of Directors

The entire Board of Directors or any individual Director may be removed from office by a two-thirds (2/3) vote of the voting power of the members at a special meeting called for that purpose.

Section 3.06: Place of Meetings

Meeting of the Board of Directors shall be held within the subdivision, as designated for that purpose from time to time by resolution of Board of Directors or written consent of members of the Board. During any time that no adequate facility is available to hold such a meeting within the subdivision, the Board may designate a meeting place outside the subdivision, but as close thereto as practicable. Any meeting shall be valid, wherever held, if held by written consent of all members of the Board, given either before or after the meetings, and filed with the Secretary of the Corporation.

Section 3.07: Organizational Meetings

The organizational meeting of the Board of Directors shall be held each year immediately following the adjournment of the annual meeting of the members.

Section 3.08: Other Regular Meetings

Regular meetings of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the members and least semi-annually on dates to set from time to time by the Board of Directors.

If said day for the meetings, except for the meeting that immediately follows the annual meeting of the members, shall fall upon a holiday, such meetings shall be held on the next succeeding business day thereafter. No notice need be given of such regular meetings, but the notice required for special meeting must be given on each setting or resetting of the dates of the semi-annual meetings. Notice of the time and place of annual and regular meetings of the Board of Directors shall be posted in at least one (1) prominent place within the Subdivision at least ten (10) days prior to such meetings.

Section 3.09: Special Meetings -- Notices.

Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President, or if he is absent or unable or refuses to act, by any Vice-President, or by any two (2) Directors.

Written notice of the time, place and nature of any special business to be considered by special meetings shall be posted in the manner as provided for regular meetings at least seventy-two (72) hours prior to the time of the holding of the meeting, delivered personally to the Directors or sent to each Director by letter or by telegram, charged prepaid, addressed to him at his address as it is shown on the records of the Corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held.

In case such notice is mailed or telegraphed. it shall be deposited in the United States mailed or delivered to the telegraph company in the place in which the principal office of the Corporation is located at least ninety-six (96) hours prior to the time of the holding of the meeting. In case such notice is delivered personally as above provided, said delivery shall be at least seventy-two (72) hours prior to telegraphing, or delivery as above provided shall be due, legal and personal notice to such Director.

Section 3.10: Waiver of Notice

When all the Directors are present at any Directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or, if a majority of Directors are present, if those not present sign, in writing, a waiver of

notice of such meeting, whether prior to or after the holding of such meeting, which mid waiver shall be filed with the secretary of the Corporation, the transactions thereof are as valid as if had at a meeting regularly called and noticed, provide that in no case shall a meeting be valid unless the notice of the meeting has been posted as required by this Article and no resolution shall be validly adopted without a meeting during any time there are members other than Grantor.

Section 3.11 Meetings by Telephone

With the consent of all the Directors, meetings may be held by conference telephone or by other communication method which allows all Directors to have vocal communication, provided the meetings are properly noticed and posted as required by this Article.

Section 3.12: Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

Section 3.13: Quorum

A majority of the number of Directors is fixed by the Articles of Incorporation or By-Laws shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the Directors present at properly held meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provide that a majority of the Directors present, in the absence of a quorum, may adjourn from to time, but may not transact any business.

Section 3.14: Right of Attendance at Meetings

All meetings of the Board of Directors and committees of the Board shall be open to all members provided that the members who are not members of the Board may not participate in any deliberation or discussion unless authorized expressly by the vote of a majority of a quorum of the Board. The Board may, however, with the approval of a majority of a quorum, adjourn a meeting a reconvene in executive session to discuss and vote upon personnel matters, or potential litigation involving the Association, and business of a similar nature. The nature of all Business to be considered at any executive session shall first be Announced in the open meeting.

ARTICLE IV: Officers

Section 4.01: Officers

The officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer. The Corporation may also have, in the discretion of the Board of Directors, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of this Article. One person may hold two (2) or more offices, however no Person may simultaneously hold the positions of President and Secretary.

Section 4.02: Election

The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of the Section headed, "Subordinate Officers, etc.," or the Section headed, "Vacancies," of this Article shall be chosen annually by the Board of Directors, and each shall hold office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 4.03: Subordinate Officers Etc.

The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the by-Laws or as the Board of Directors may, from time to time, determine.

Section 4.04: Removal and Resignation

Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conveyed by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05: Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Section 4.06: President

The President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the members and at all meetings of the Board of Directors. He shall be ex officio, a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

Section 4.07: Vice-President

In the absence or disability of the President, the Vice-Presidents, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice-Presidents designated by the Board of Directors, shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or By-Laws.

Section 4.08: Secretary

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office of the Corporation or such other place as the Board of Directors may order, of all meetings of Directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of votes present or represented at Directors' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office a register showing the names of the members and their addresses; the number of votes held by each; the number and date of any certificates issued for the same (if the Corporation

causes certificates to be issued to evidence membership in the Corporation), and the number and date of cancellation of every certificate surrendered for cancellation.

Section 4.09: Treasurer

The Treasurer shall keep and maintains or cause to be kept and maintained, adequate and correct accounts of the Properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and any monies and funds handled for the members. The books of account shall, at all reasonable times, be open to inspection by any Director.

The Treasurer shall deposit monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. Re shall disburse the funds of the Corporation as may be ordered by the Board of Directors; shall render to the President and Directors, whenever requested, an account of all his transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as to be prescribed by the Board of Directors or by the By-Laws.

ARTICLE V: Executive and Other Committees

Section 5.01: Executive and Other Committees

The Board of Directors may appoint an Executive Committee, and such other committees as may be necessary from time to time, consisting of at least two (2) of its members and with such powers as it may designate, consistent with the Restrictions, the Articles of Incorporation and By-Laws and of the Non-Profit Corporation Laws of the State of New Mexico. Such committees shall hold office at the pleasure of the board.

ARTICLE VI: Corporate Records and Reports - - Inspection

Section 6.01: Records

The corporation shall maintain adequate and correct accounts. Books, and records of its business and properties, and the business and properties of the Owners with which it is entrusted. All of such books, records and accounts shall be at its principal place of business in the State of New Mexico, as fixed by the Board of Directors from time to time.

Section 6.02: Inspection of Books and Records

The membership register, books of account and minutes of members' meetings or Board of Directors meetings (except for the minutes of the executive sessions) and, of committees of members or Board shall be made available for inspection and copying by any member of the Association or by such member's duly appointed representative at any reasonable time at the office of the Associations or at such other place within the subdivision as the Board shall prescribe, for any purpose reasonably related to the member's interest as a member. The Board shall establish reasonable rules as to the notice to be given the custodian of the records by the members desiring to make the inspection, the hours and days of the week when inspection may be made, and the cost of reproducing copies of documents requested by a member.

Section 6.03: Certification and Inspection of By-Laws

The original or It copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the members of the Corporation in the manner provided by law.

Section 6.04: Check, Drafts, Etc.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and to such, manner as shall be determined from time to time by resolution of the Board of Directors.

Section 6.05: Contract, Instruments -- How Executed

The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on, behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge the Corporation's credit, or to render the Corporation liable for any purpose or to any amount.

Section 6.06: Annual Report

The Board of Directors of the Corporation shall cause to be prepared and sent to the members upon request within sixty (60) days of the last day of the period covered, a balance sheet as of the last day of the period covered an operating (income) statement for the Corporations fiscal years.

The operating statement shall include as schedule of assessments received and receivable identified by the lot or other identification of the interest assessed and the names of the person or entity assessed.

The Board of Directors shall cause to be prepared and sent to the members upon request sixty (60) days before the beginning of each fiscal year, a tentative operating statement (budget) for that year.

If, in any year, the annual income of the Association exceeds \$100,000, the Board of Directors shall employ a Certified Public Accountant to conduct an audit of the Association's fiscal transactions and shall distribute copies of the audit to the members.

ARTICE VII: Membership

Section 7.01: Membership

Each owner of a lot within the Subdivision, by virtue of being an owner and during such time as such Owner remains as Owner, shall be a member of the Association. The term, "Owner", shall be defined In the Restrictions and shall mean as to property whose ownership gives rise to membership in this Corporation the person or entity holding the beneficial ownership of the fee, including a purchaser under a contract of sale. It is the duty of each person who becomes an Owner or who ceases to become such an owner to notify the Association, in writing, within thirty (30) days, giving the date and recording date of the instrument transferring title, a copy of such instrument and addresses to which notices are to be sent. The change and transfer of memberships shall be made in a register kept at the principal office of the Corporation. In the case of any dispute, the Board of Directors shall decide, Pursuant to the provisions of the Restrictions, who is a member of this Corporation.

Section 7.02: Classes of Membership

The Association shall have two (2) classes of membership: Class I and Class II.

Class I. All members shall be Class I members, except the Grantor, and shall be entitled to one (I) vote for each lot owned. When more than one person or entity is an owner of any lot, all such person shall be members. The vote for such lot

shall be exercised as such owners determine, and in no event shall such multiple Owners vote more votes than they are entitled by the lots owned.

Class II. The Grantor shall be the only Class II member and shall be entitled to four (4) times the votes as set out under Class I, above, for each lot owned by Grantor prior to the initial conveyance of such lot in, Grantor (the assignment or conveyance of all Grantor's interest in the subdivision shall not be such an initial conveyance). The Class II membership of Grantor shall be converted to Class I membership and shall forever cease to exist upon the occurrence of both of the following events:

1. When the total outstanding votes held by Class I members equal or exceed the total outstanding votes held by the Class II member; and
2. December 31, 1988.

Section 7.03: Voting Rights

Each member shall be entitled to the votes as Provided in, this Article on all matters properly submitted for vote to the membership of the Association. Every member entitled to vote at any election of members of the Board may cumulate his votes and give any one or more candidates a number of votes equal to the number of votes to which the member is entitled, multiplied by the number of Directors to be elected. The right to vote may not be severed or separated from any lot, and any sale, transfer, or conveyance of the beneficial interest of the fee of any lot to a new Owner shall operate to transfer the appurtenant vote rights without the requirement of any express reference thereto. Voting may be by written proxy.

When any provision of the Restrictions, Articles of Incorporation or By-Laws of this Corporation calls for the vote or the consent of the members in any stated percentage, the following rules apply unless the specific language of the provision provides to the contrary:

1. Whenever a vote of the members is required, it is sufficient to obtain the written consent of the same percentage and class of members; and
2. The percentage requirement shall be a percentage of the total voting power of the Association or of the total voting power of the required class or group and not a percentage of the number of members of the Association, class or group.

Section 7.04: Closing and Membership Register

The Board of Directors may close the membership register for a period not exceeding thirty (30) days preceding any meeting, annual or special, of the members and any such meeting shall be conducted and any vote taken on the basis of the memberships shown in the register at the time of closing.

Section 7.05: Assessments

Each member is subject to the following charges and assessments payable to the Association:

1. Maintenance assessments;
2. Delinquency assessments;
3. Assessments for capital improvements; and
4. All other fees or other monies due to the Association for such member.

Section 7.06: Maintenance Assessment

1. Within thirty (30) days prior to the commencement of each fiscal year the Association shall estimate the costs and expenses to be incurred by the Association during the year, including a reasonable provision for contingencies, as well as reserves for major repair and replacement, and shall subtract from such estimate an amount equal to the anticipated balance, inclusive of any reserves for contingencies, and reserves for major repair and replacement in the operating fund at the start of such year. The sum of net estimate so determined shall be assessed to all the Owners in shares - one (1) share for each lot owned.

2. If, at any time, and from time to time during any fiscal year, the maintenance assessment proven or appears likely to prove inadequate for any reason, including nonpayment of any Owner's share thereof, the Association may levy a further maintenance assessment in the amount of such actual or estimated inadequacy.

3. Maintenance assessments shall be due and payable to the Association when levied or in such installments during the year, and on such due dates as the Board Shall designate.

4. The maintenance assessment shall not include any amount for the capital improvement of Common Area which, in any fiscal year, exceeds five percent (5%) of the budgeted gross expenses of the Association and which is not part of such budgeted gross expenses. Such assessments for extraordinary capital improvements may be levied pursuant to Article 7.08.

5. Until the December 31st Immediately following the conveyance of the first lot by Grantor, the annual assessment per assessment share shall not exceed \$600.00. From and after said December 31st, the maximum maintenance assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous year without a vote of the majority of each Class of members. The percent of increase shall be cumulative from year to year so that an increase not used in one year may be used in a subsequent year, without a vote of the members. In no case shall the assessment be increased more than twenty percent (20%) without the vote of the majority of each class of members.

Section 7.07: Delinquency Assessment

The Association shall levy delinquency assessment against any member or members as a result of whose acts, or failure or refusal to act, or otherwise comply with the Restrictions, or the Rules, monies were expended from the operating fund by the Association. Such assessment shall be in the amount so expended, and shall be due and payable to the Association when levied, or in such installments as the Association shall designate. Prior to the levy of a delinquency assessment, the Board shall hold a hearing to determine the validity and amount of the assessment upon at least (30) days notice to the member to be assessed. Such member to be assessed shall be given an opportunity to be heard at such hearing held to determine the validity and amount of the assessment.

Section 7.08: Assessments for Capital Improvements

The Association may also levy in any year an assessment for paying or returning, in whole or in part, the cost or proposed cost of acquisition and construction of a described capital improvement (whether the improvement constitutes real or personal property, in an amount greater than can be included in the maintenance assessment, provided such assessment has been approved by the majority vote of the voting power of the members, which assessment shall be assessed to members as provided for in maintenance assessments.

Section 7.09: Delinquency

Each assessment under this Article shall be the separate, distinct and personal debt and obligation of the member against whom it is assessed. Any assessment provided for in this Article, which is not paid when due, shall be delinquent.

With respect to each assessment not paid within ten (10) days after its due date, the Association may, at its election, require the member to pay a sum (late charge) to be determined by the Association, to pay for the costs of handling the delinquent sum, but not to exceed ten dollars (\$10.00) per each delinquent assessment. Such a charge shall be considered an additional assessment and collectable with the assessment for which it was charged.

If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate as met from time to time by the Board, however not greater than twenty percent (20%) per annum, and the Association may, at its option, bring an action at law against the owner or owners personally obligated to pay the same, and upon compliance with the provisions of this Article to foreclose the lien against the lot, and there shall be added to the amount of such assessment, the late charge, the costs of preparing and filing, the complaint in such action, and, in the event a judgment is obtained, such judgment shall include interest at the rate provided herein and a reasonable attorney's fee, together with the costs of action. Each owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosure against such owner or other owners for the collection of such delinquent assessments.

Section 7.10: Notice of Lien

No action shall be brought to foreclose an assessment lien less than thirty (30) days after the date of notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the owner of said lot and a copy thereof be recorded by the Association in the office of the County Recorder in Bernalillo County, New Mexico. Said notice of claim must recite a good and sufficient legal description of any such lot, the record owner or reputed owner thereof, the amount claimed (which shall include the interest charges, costs and attorney's fee recoverable by an action at law) and the name and address of the Association.

Section 7.11: Foreclosure Sale

Any such sale provided for above is to be conducted in accordance with the customary practice of the New Mexico Courts applicable to the foreclosure of mortgages and deeds of trust, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 7.12: Subject to Restrictions

The qualifications of members, the different classes of membership, if any, the property, voting and other rights and Privileges of members, assessments and dues of members and the method of the collection of such assessments and dues shall be as set forth in the Restrictions and any amendments to the Restrictions. The Restrictions are incorporated herein as though fully set out and shall control in the event of any conflict with the provisions of these By-Laws.

ARTICLE VIII: Corporate Seal

Section 8.01: Corporate Seal

The corporate seal, if any, shall be circular in forms and shall have inscribed thereon, the name of the Corporation, and the date of its incorporation, and the words "New Mexico".

ARTICLE IX: Amendments to By-Laws

Section 9.01: By Members

New By-Laws may be adopted, or these By-Laws may be repealed or amended by the members at their annual meeting, or at any other meeting of the members called for that purpose, by a vote of members entitled to exercise a sixty-six and two thirds percent (66.2/3%) of the voting power of the Corporation, or by the written assent of such members, including the vote of written assent of the members entitled to exercise sixty-six and two thirds percent (66-2/3%) of the voting power of the Corporation. So long as there is a class II member, the consent of the class II member is required to adopt new By-Laws or to amend or repeal these By-Laws.

Section 9.02: Record of Amendments

Whenever an amendment or new by-law is adopted, such amendment or new by-law shall be copied in the Book of By-Laws with the original By-Laws in the appropriate place. If any By-Law or By-Laws is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said Book.

Know All Men by These Presents:

That we, the undersigned being a majority of the Person appointed in the Articles of Incorporation to act as the first Board of Directors of La Mariposa Homeowners' Association, Inc. hereby assent to the foregoing By-Laws, and adopt the same as the By-Laws of said Corporation.

Modification to Declaration of Covenants, Conditions and Restrictions for La Mariposa Subdivision

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Modification to Restrictions	Santa Fe County	1994-Jun-15	1134109-1134110

Pursuant to the authority of Article V (Organization, Powers and Duties of Association), Section 5.01 (e) of "A Declaration of Restrictions, Covenants and Conditions for the Creation and Maintenance of a Planned Unit Residential Development, known as La Mariposa Estates," which Declaration was made on July 27, 1988, by Stro-Hart Development, a New Mexico General Partnership, with respect to certain real property situated in Santa Fe County, New Mexico, and more particularly described as follows:

All of the property shown on the PRELIMINARY AND FINAL SUBDIVISION PLAT, LA MARIPOSA SUBDIVISION, recorded in Santa County Real Estate records on July 27, 1988, in Book 189, Page 003, as Document No, 655469, as amended,

The Board of the Directors of the Association, hereby modifies the thirty (30') foot setback requirement for Lot 45, La Mariposa Subdivision, Phase Two, Santa Fe County, State of New Mexico (Plat filed: May 3, 1989, recorded at Book 198, Page 001), in order to allow the existing residence and portal structures as shown on the survey attached hereto as Exhibit Map 'A' to have a setback on the western side of the property of twenty-six (26') feet, instead of thirty (30') feet from the adjacent property line. This modification is based upon the Board's finding that the modification is necessary to avoid undue hardship to Robert A. and Carol H. WARREN, the present owners of Lot 45, resulting from the strict enforcement of the thirty (30') foot setback, that the owners of the adjoining Lot 44, Lloyd and Diana Yeich, the property owners most directly affected by this modification, have consented to such modification, and that the adjoining lots will not seriously be affected by this modification.

Frank Shaw, President
La Mariposa Homeowner's
Association, a New Mexico
Nonprofit Corporation

La Mariposa Subdivision: Disclosure Statement

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Disclosure & Terrain Management Plan	Santa Fe County	1988-Jul-26	619646-619653

1. Name of Subdivision: La Mariposa

2. Name and address of sub dividers:

Stro-Hart Development, LTD.
6121 Indian School Road, N.E., Suite 275
Albuquerque, New Mexico 87110

2a. Name of owner of mineral rights: Federal Government

3. Name and address of person in charge of sale or leasing in New Mexico:

Mr. Lloyd N. Strosnider
General Partner
Stro-Hart Development, LTD.
6121 Indian School Road, N.E., Suite 275
Albuquerque, New Mexico
(505) 884-7666

4. Size of subdivision, both present and anticipated: 73 Lots: One Park

5. Size of largest parcel offered for sale or lease within subdivision: 6.04 acres

6. Size of smallest parcel offered for sale or lease within subdivision: Not less than 1.53 acres

7. Proposed range of selling or leasing prices:

\$ 60,000.00 - Lowest amount - Not less than 1.53 acres
\$225,000.00 - Highest amount - Approximately 6.04 acres

8. Financing terms:

Sales will be either cash or terms. The following information will be supplied to purchaser:

- a. Rate of interest
- b. Time price differential
- c. Service charges, if any, to be charged to purchaser
- d. Premium charges for persons who elect to take credit life insurance
- e. Information required to be disclosed by feral law under Federal Reserve Regulation 7 (?)
- f. Terms as of February 1988
 - Ten percent down payment
 - Ten percent interest

9. Name and address of holder of legal title:

Stro-Hart Development, LTD.
6121 Indian School Road, N.E., Suite 275
Albuquerque, New Mexico 87110

10. Name and address of persons having equitable title:

Stro-Hart Development, LTD.
Mr. Lloyd N. Strosnider, General Partner
Mr. Thomas Hartley, Limited Partner

11. Condition of Title:

No liens or encumbrances exist with respect to said real estate, except for patent reservations, exceptions and limitations, and easements for utilities and roads.

12. Statement of all restrictions or reservations of record subjecting the subdivided lane to any unusual conditions affecting its use or occupancy:

None except mineral and patent reservations (see 2 above), exceptions and limitations, easements and restrictive covenants to be imposed on subdivided land by developer, a copy of which attached hereto.

13. Name and address of escrow agent: (not available at this time)

14. Utilities:

Electrical services will be provided by Public Service Company of New Mexico.

Water services will be provided by Public Service Company of New Mexico Sangre de Cristo Water Company.

Gas services will be provided by Gas Company of New Mexico.

Telephone service will be provided by Mountain Bell telephone Company

15. Installation of Utilities:

Subdivider will not furnish liquid waste disposal service. Liquid waste disposal is to be accomplished using E.I.D. approved individual on site liquid waste disposal techniques.

Extension policies of electrical, water, gas and telephone companies are subject to change and should be investigated by lot owners. Utility service in La Mariposa is expected to be furnished within 18 months of final plat approval by the Extraterritorial Zoning Commission, Extraterritorial Zoning Authority and the County of Santa Fe.

Telephone service will not be guaranteed until Mountain Bell completes the necessary off-site line extensions. Prospective lot owner: should contact Mountain Bell for information regarding availability of telephone service.

16. Utility Location:

Electric, water, gas, and telephone service are to be furnished by subdivider in the roads within La Mariposa for all lots. All utilities are to be located underground. The lot owner will bear the expense for utilities from the road to the building site with application.

17. Water Use:

Water will be provided for domestic and recreational use with water conservation covenants as provided for in the restrictive covenants herewith and subject to the regulations of Sangre de Cristo Water Company (SDCW).

18. Amount of Water:

SDCW will provide water for domestic use, through a community water system, at a rate of a minimum of 300 gallons per day, per platted lot.

19. Water Delivery:

SDCW will provide water through a community water system. This system will be designed to provide for fire protection flows.

20. Water System Extension:

There will be no charge for water hookups. Water will be available within 18 months of final plat approval.

21. Life Expectancy of Water Supply:

The life expectancy of the water supply for La Mariposa is the same as for the City of Santa Fe.

22. Wells: No individual water well may be drilled within the subdivision.

23. Surface Water: Not Applicable.

24. State Engineer's Option on Water: Not Applicable.

25. Water Quality:

Water quality is the responsibility of SDCW and is expected to comply with New Mexico State Standards.

26. Environmental Improvement Agency's Opinion on Water Quality:

Quality of water from the PNM - SDCW is in compliance with applicable regulations.

27. Liquid Waste Disposal:

Consultation with Environmental Improvement Division is recommended prior to selection of homesites by each lot owner as some restrictions may apply to septic tank approvals.

28. Environmental Improvement Agency's Opinion on Solid Waste Disposal:

The solid waste disposal site available for the subdivision is in conformance with SFCLDC requirements.

29. Solid Waste Disposal:

Solid waste collection and disposal service will be provided for residents of the project by a private collection service, licensed to do business in Santa Fe County. Solid waste disposal is also specifically governed by the La Mariposa Homeowners Association.

30. Terrain Management (See Attached)

31. Natural Resources Conservation District (NRCD) Opinion on Terrain Management: Not Available.

32. Subdivision Access:

The City nearest the subdivision is Santa Fe, New Mexico, and the westerly limits of Santa Fe adjoin the easterly boundary of this subdivision. The nearest public road is named Camino La Tierra, a 2 lane paved road that is maintained by Santa Fe County. Main access to the subdivision is along said Camino La Tierra which ties to the Taos Highway (US 285 North, also called St. Francis Drive) approximately one mile north of the intersection of Alamo Drive with said Taos Highway.

The roads within the subdivision when built, will be built to County Specifications and asphalt surfaced. The schedule calls for completion of grading of the internal roadways in the spring and summer of 1988 and surfacing of the internal roadways in the fall of 1988, and for grading of the external roadways in the spring of 1988 and surfacing of the external roadways in the fall of 1988.

The external road will be public and will be maintained by the County.

33. State Highway Department's Opinion and Access: (Not Available)

34. Development:

A public park has been provided and will be dedicated to the La Mariposa Homeowners Association.

35. Maintenance:

All roads within La Mariposa are dedicated to the La Mariposa Homeowners Association and will be maintained by the Homeowner's Association.

36. Adverse Conditions:

Apart from uneven terrain on some lots and the existence of the sanitary landfill of the City of Santa Fe approximately two miles from the nearest subdivision boundary, no particularly adverse conditions are in existence.

37. Recreational Facilities:

The only recreational facilities appurtenant to the subdivision are mentioned in paragraph 34 above. The City of Santa Fe has constructed a public park, approximately two miles from the subdivision at the junction of Buckman Road and Camino de las Crucitas.

38. Fire Protection:

The nearest fire station is the Alameda Fire Station of the City of Santa Fe, which is approximately three miles from the subdivision. The system is staffed by both volunteers and paid staff members, according to subdivider's information. The water system within the subdivision is designed for fire protection flows.

39. Police Protection:

The subdivision is subject to patrol by the Sheriff's Department of the County of Santa Fe and to protection as assigned from the New Mexico State Police.

40. Public Schools:

The name of the nearest elementary school is Gonzales Elementary School, which is approximately three miles from the subdivision. Access is by means of Camino La Tierra, mentioned above, and the street system of the City of Santa Fe. The distance to the nearest secondary school is approximately seven miles and access is by said Camino La Tierra and the street system of the City of Santa Fe.

41. Hospital:

The nearest hospital is St. Vincent Hospital, which is approximately eight miles from the, subdivision and access is over said Camino La Tierra and the street system of the City of Santa Fe. The number of beds in St. Vincent Hospital is 235.

An Urgent Care Center is located at DeVargas Mall approximately three miles from the subdivision.

42. Shopping Facilities:

The nearest shopping center is the DeVargas Shopping Mall which is approximately three miles from the subdivision, and access is over said Camino La Tierra and the street system of the City of Santa Fe. There are approximately 52 stores in the DeVargas Shopping Mall.

43. Public Transportation:

The subdivision will not be served on any regular basis by any means of public transportation.

44. Setbacks:

Lots 11, 12, 13 and 14 shall be subject to a 100' building setback along their western boundaries; the setback is measured from the east edge of the 35' reserved roadway corridor as shown on the La Mariposa Subdivision Plat. This corridor is reserved for the possible future connection of Camino La Tierra to Tano Road.

45. Completion Dates.

The items and facilities mentioned in paragraphs 39 through 44 are in existence at present.

Disclosure Statement Terrain Management

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Disclosure & Terrain Management Plan	Santa Fe County	1988-Jul-26	619646-619653

Terrain Management - This subdivision has been designed to meet all the criteria set forth in the Santa Fe County Subdivision Regulations regarding Terrain Management.

A Terrain Management Plan has been prepared and the following is a summary of the plan:

A soil survey indicates that soils are very satisfactory for residential use with precautions on compaction of fill material and erosion due to run off. The subdivision plat clearly delineates any flood plain areas and also shows where gully flow occurs throughout the site. The natural drainageways are to be preserved and are shown as drainage easements on the plat.

A major ridge approximately bisects the property and lots situated nearest the ridge have the steepest slopes (10 to 20+ percent). Lots 70 thru 73 have the steepest slopes (10 to 20+ percent) on the site with Lots 63 and 68 also having some steep slopes. The subdivision was designed to provide at least one major building site per lot.

Surface drainage will occur on most lots as overland flow, but some lots will experience gully flow in well defined drainage ways. The gully flow that occurs on these drainageways will be preserved with drainage easements. The portion of the subdivision located on the Southern side of the major ridge drains into a well defined deep arroyo where water only flows shortly after and during the typical short high intense rain storms that occur in mid-summer. This deep arroyo bisects the Southern half of the property and traverses through 12 lots. The available building area on these .2 lots is more than adequate to eliminate any flooding threats to these lots. The Northern half of the site drains through a couple of small gullies but mostly overland to a major arroyo located off of the property.

The roadway system on the Southern side of the subdivision crosses the deep arroyo at four (4) locations. Pipe arch structures with erosion control pads are proposed along with other smaller culverts throughout the site to assist with roadside drainage ditches. The roadways are to be paved which should contribute to better air quality.

Modification to Declaration of Covenants, Conditions, and
Restrictions for La Mariposa Subdivision

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Modification to Restrictions	Santa Fe County	1994-Jun-15	1134109-1134110

Pursuant to the authority of Article V (Organization, Powers and Duties of Association), Section 5.01 (e) of "A Declaration of Restrictions, Covenants and Conditions for the Creation and Maintenance of a Planned Unit Residential Development, known as La Mariposa Estates," which Declaration was made on July 27, 1988, by Stro-Hart Development, a New Mexico General Partnership, with respect to certain real proper ty situate in Santa Fe County, New Mexico, and more particularly described as follows:

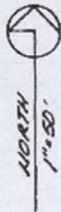
All of the property shown on the PRELIMINARY AND FINAL
SUBDIVISION PLAT, LA MARIPOSA SUBDIVISION, recorded in
Santa County Real Estate records on July 27, 1988, in
Book 189, Page 003, as Document No, 655469, as amended,

The Board of the Directors of the Association, hereby modifies the thirty (30') foot setback requirement for Lot 45, La Mariposa Subdivision, Phase Two, Santa Fe County, State of New Mexico (Plat filed: May 3, 1989, recorded at Book 198, Page 001), in order to allow the existing residence and portal structures as shown on the survey attached hereto as Exhibit Map 'A' to have a setback on the western side of the property of twenty-six (26') feet, instead of thirty (30') feet from the adjacent property line.

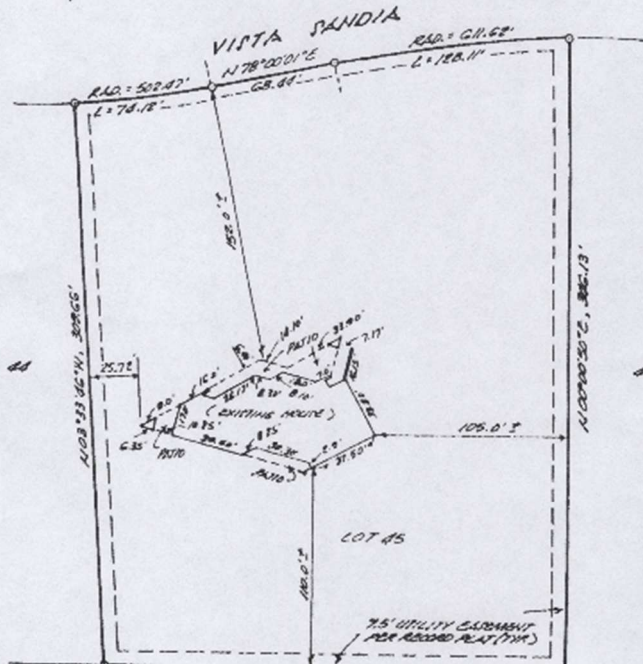
This modification is based upon the Board's finding that the modification is necessary to avoid undue hardship to Robert A. and Carol H. WARREN, the present owners of Lot 45, resulting from the strict enforcement of the thirty (30') foot setback, that the owners of the adjoining Lot 44, Lloyd and Diana Yeich, the property owners most directly affected by this modification, have consented to such modification, and that the adjoining lots will not seriously be affected by this modification.

EXHIBIT MAP "A"

1134110



COUNTY OF SANTA FE
STATE OF NEW MEXICO
I hereby certify that this instrument was filed for record on the 21st day of Feb, A.D. 1914, at 11 o'clock A.M. and was duly recorded in book 174 page 174 of the records of Santa Fe County. Witness my Hand and Seal of Office this 6th day of April, 1914.
County Clerk, Santa Fe County, NM
[Signature]



Easement Grant and Agreement

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Easement Grant & Agreement	Santa Fe County	1992-Jun-20	643259-643263

THIS AGREEMENT² is made between STRO-HART DEVELOPMENT, LTD., a New Mexico Limited Partnership (hereinafter called "Stro-Hart") and DAVID J. MARTINEZ and ROBIN E. MARTINEZ, husband and wife (hereinafter called "MARTINEZES").

WHEREAS, Stro-Hart is the owner of a certain tract of land (hereinafter called the "Stro-Hart Tract") situated in Santa Fe County, New Mexico, described as follows:

La Mariposa Subdivision, Phase I, as shown on Preliminary and Final Subdivision Plat of La Mariposa Subdivision, Phase I, filed or record in the Office of the Clerk of Santa Fe County on July 27, 1988;

WHEREAS, Martinezes are the owners of a certain tract of land (hereinafter called the "Martinez Tract"), which tract adjoins the Stro-Hart Tract on the west, and is situated in Santa Fe County, New Mexico, described as follows:

A certain tract of land being situated within the SW 1/4 of Section 9, T. 17 N, R. 9 E, N.M.P.M. and being more particularly described as follows:

Beginning at the southwest corner of this tract herein described from whence the corner common to Sections 8, 9, 16 and 17, T. 17 N, R. 9 E, bears: South 933.40 feet; thence from said point and place of beginning along the following bearing and distances: North 289.10 feet; S 87°35'11"E 471.12 feet; N 86°24'09"E 463.61 feet; South 298.35 feet; West 933.40 feet; to the point and place of beginning. All as shown on a plat of survey by George Rivera, dated July, 1978 and amended May 27, 1982 having drawing No. A2-434.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and agreements hereinafter set forth, it is hereby agreed and understood by and between Stro-Hart and Martinezes as follows:

1. In consideration of the sum of ten dollars (\$10) paid to Stro-Hart by Martinezes, the receipt of which is hereby acknowledged, and other good and valuable consideration, Stro-Hart grants to Martinezes and their successors a perpetual, exclusive easement, twenty (20) feet in width, for ingress and egress and the installation, maintenance and repair of utilities. In addition, a drainage culvert will be required to be installed if a roadway is to be maintained by Martinezes. The easement will run approximately 331.39 feet from Vista Morada in the Stro-Hart Tract to the Martinez Tract. The center line of the easement will be the lot line between Lot 3 and Lot 4, La Mariposa Subdivision, as shown on Preliminary and Final Subdivision Plat of La Mariposa Subdivision, Phase I, filed for record in the Office of the Clerk of Santa Fe County on July 27, 1988.

2. The Martinez Tract may be subdivided, and the easement created hereby shall benefit and be appurtenant to the subdivided portions of the Martinez Tract. The lots created by said subdivision shall not exceed an overall density of 2.5 acres. Said easement shall not be burdened with usage or traffic in excess of the normal traffic necessary to service family dwellings to be located on the Martinezes' land, as the dimensions of said land now exist.

² Easement Grant and Agreement recorded at Santa Fe County on 20-June-1992 with page reference numbers 643259-643263

3. Persons occupying any portion of the Martinez Tract and Lots 3 and 4 of the Mariposa Subdivision shall have common use of the easement hereby created, for themselves, their invitees, guests and licensees, for the purposes generally hereinbefore described. Each person installing utility lines or performing similar activities with respect to the easement will pay the costs of installation, and will restore the easement to its original condition before the installation. Occupants of the Martinez Tract may, but shall not be required to, maintain a roadway on the easement. All utility lines placed on the easement will be placed underground, and will be repaired and maintained at the sole cost of the person benefited thereby.

4. The specific restrictions described in Article 3, Permitted and Prohibited Uses of Property, of the Restrictions of La Mariposa filed for record in the Office of the Clerk of Santa Fe County on July 27, 1988, are incorporated herein by reference, and will apply to the Martinez Tract, with the exception of (ii) paragraph "c" of Section 3.01 and (ii) paragraph "w" of Section 3.02.

5. The covenants, agreements and understandings of the parties herein contained shall extend to and be binding upon their respective heirs, personal representatives, successors and assigns.

Restrictive Covenant

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Restrictive Covenant	Santa Fe County	1986-Apr-10	547814-547815

COMES NOW James T. Jackson, owner of the below-described property which is located in Santa Fe County, New Mexico, WITNESSETH:

WHEREAS, James T. Jackson has entered into an agreement with Stro-Hart Development, Ltd., a New Mexico limited partnership, relative to development of certain property located in Santa Fe County, New Mexico, and

WHEREAS, in consideration of certain agreements among the parties, James T. Jackson has agreed to establish certain restrictive covenant, on certain property owned by him so as to establish for all time certain rights, duties and obligations for all subsequent owners of any part or parcel of certain property located by James T. Jackson.

NOW, THEREFORE, said James T. Jackson hereby establishes restrictive covenants on the below-described property as follows:

1. Property. The property subject to these restrictive covenants is located in Santa Fe County, New Mexico, and is more particularly described as follows:

Starting at the common corner of Sections 8, 9, 17 and 16, Township 17 North, Range 9 East of the New Mexico Principal Meridian being the SW corner of the tract; thence N. 932.7 feet to the NW corner of the tract; thence E. 933.9 feet to the NE corner of the tract; thence S. 932.7 feet to the SE corner of the tract; thence W. 933.9 feet to the SW corner of the tract, being the point and place of beginning; all as shown on Plat dated August 23, 1965 prepared by J. P. Scanlon, Professional Engineer and Land Surveyor, entitled: "Plat of Survey for Frances Jackson in Secs. 8 & 9, T. 17 N. R. 9 E., N.M.P.M., Santa Fe County, New Mexico.

2. Restriction on Use. The property described in Paragraph 1, above, shall not be used for the placement, erection or storage, whether temporary or permanent, of mobile homes. The term "mobile home" shall include all trailers fitted as residential dwelling units, including trailers intended as temporary or vacation residences, and includes trailers and mobile homes which have been placed upon permanent foundations and which have been converted to permanent dwellings attached to the ground. The term "mobile homes" include camper-shell units which rest solely on the bed of pickup trucks and which are used only for temporary camping and temporary vacation homes.

3. Expiration. The restrictive covenants set forth in Paragraph 2, above, shall continue in effect for fifty (50) years, when they shall automatically expire.

4. Effect. The restrictive covenants set forth in Paragraph 2 shall bind with the land and shall bind the property and all owners of any interest therein.

In witness whereof, I have hereunto set my hand and seal this 9th day of April, 1986.

First Amendment to La Mariposa Restrictions

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
First Amendment to Restrictions	Bernalillo County	1988-Aug-25	624068-624069

THIS FIRST AMENDMENT TO LA MARIPOSA RESTRICTIONS ("Amendment") is made this 25th day of August, 1988, by STRO-HART DEVELOPMENT, a New Mexico general partnership ("Grantor"), and amends the La Mariposa Restrictions recorded in the Santa Fe County, New Mexico, real estate records on July 27, 1988, in Vol. 619, Pages 615-653 (the Restrictions").

1. The following paragraph is hereby added as ARTICLE 2A of the Restrictions:

ARTICLE 2A:
ANNEXATION OF PROPERTY

Grantor may, from time to time, and in its sole discretion, and without necessity of any approvals, annex real property which is contiguous to the Subdivision, which is owned by grantor, or owned by other persons with the permission of such other persons, to the La Mariposa Homeowners, Association, Inc., and subject the property to those Restriction, whereby such property will have all of the rights and obligations of membership in the Association, including tap right to use the community streets and common areas. The annexation of any such property shall become effective when grantor shall have recorded in the Santa Fe County, New Mexico, real estate records, a declaration which describes the real property to be annexed and declaring that such property be held pursuant to the La Mariposa Restrictions, and the filing of a subdivision plat of the property.

No property may be incorporated into the Association without grantor's consent and thereby entitled to the use of the community streets or the common areas unless consented to by a majority of the voting power of the Association.

2. Section 3.02.h. is deleted and the following is substituted therefor:

No exterior antenna of any sort, including satellite dishes, shall be installed or maintained on any House or within the Subdivision, except those devices which are erected, installed, placed or maintained and used entirely under the eaves or enclosed within a building or structure or screened from view from other lots and streets, or which are otherwise specifically authorized by the Subdivision Rules. Notwithstanding the foregoing T.V. antenna (but not satellite dishes) may extend two (2) feet above the parapet. This provision shall remain enforceable even if enforcement action is net commenced within the time limitations otherwise provided by the Subdivision Restrictions.

Second Amendment to La Mariposa Restrictions

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Second Amendment to Restrictions	Santa Fe County	1989-Jul-26	654119-654120

THIS SECOND AMENDMENT TO LA MARIPOSA RESTRICTIONS is made this 24th day of July, 1989, and amends the La Mariposa Restrictions recorded in the Santa Fe County, New Mexico, real estate records on July 27, 1988, in Vol. 619, pages 615-653, and amended by the First Amendment to La Mariposa Restrictions recorded in the Santa Fe County, New Mexico, real estate records on September 6, 1998, in Vol. 624, page 068 (the "Restrictions").

The Restrictions are amended to delete Section 3.02(o) by substituting therefor the following:

No structure shall exceed eighteen feet (18') in height, measured from the highest natural undisturbed ground level adjacent to the House, except for Lots 69 to 73, inclusive, where no structure shall exceed fifteen feet (15') in height, measured from the highest natural undisturbed ground level adjacent to the House.

There are seventy-three (73) lots within the Subdivision. Thirty-one (31) of the lots within the Subdivision are owned by the Developer, Stro-Hart Development, a New Mexico general partnership. The Developer is entitled to four (4) voting rights for each lot owned. Therefore, the Developer has one hundred twenty-four (124) [4 x 31] voting rights. Each of the other lots has one (1) voting right for forty-two (42) additional voting rights. Therefore, the total number of voting rights in the Association are one hundred sixty-six (166). This Amendment has obtained the written consent of the following owners, whose voting rights exceed seventy-five (75%) of the total voting rights of the Association:

Voting Rights

124

Total Voting 124 or

Rights 75% of the voting rights of the Association

SECRETARY'S CERTIFICATE REGARDING SECOND AMENDMENT TO LA MARIPOSA RESTRICTIONS

The undersigned being the Secretary of the La Mariposa Homeowners' Association, Inc., a New Mexico non-profit corporation, hereby certifies that the Second Amendment to La Mariposa Restrictions, attached hereto as Exhibit "A" and incorporated herein, was adopted by the written consent of the voting power of the members of the La Mariposa Homeowners' Association, Inc., on July 24, 1989, pursuant to Section 11.01(a) (1) of the Restrictions of La Mariposa. DATED: 7/25/89

Articles of Incorporation

Document Names	Where Recorded	Date Recorded	Page Reference Numbers
Articles of Incorporation	Santa Fe County	1988-Jul-27	619654-619659

THE UNDERSIGNED, being an unincorporated homeowner's association and being desirous of forming a non-profit corporation under the laws of the State of New Mexico, has prepared and hereby adopts the following Articles of Incorporation.

ARTICLE 1: Name

The name of the Corporation shall be LA MARIPOSA HOMEOWNERS' ASSOCIATION, INC.

ARTICLE II

The Corporation shall not afford, directly or indirectly, pecuniary gain or profit for its members. The purposes of the Corporation are:

A. To operate exclusively for the benefit of the owners and residents of houses situate within the property situate within Santa Fe County, New Mexico, as are subject from time to time to the Restrictions of La Mariposa, recorded in Santa Fe County, New Mexico, real estate records in book 619 Page 615, (hereinafter called "the Properties").

B. To own, hold and/or manage certain of the Properties (hereinafter called "the Common Areas") for the benefits of the owners and residents of the house situate within the Properties; and

C. To enforce the provisions of and perform the duties set forth in the Restrictions of La Mariposa (hereinafter "the Restrictions") filed for record with respect to the Properties.

ARTICLE III: Powers

The Corporation shall have the following powers:

A. To perform any and all acts necessary and proper to promote the health, safety, and welfare of the owners and residents of houses situate within the Properties, including without limitation, any of the following acts:

1) To establish and collect annual and special assessments or charges to be levied against the member of the Corporation and their houses located within the Properties as provided in the Restrictions,

2) To enforce any and all covenants, conditions and restrictions as set forth in the Restriction, including any amendments thereto,

3) To own, acquire, build, operate and maintain streets, landscaping and utilities located within the Common Areas,

4) To pay taxes, if any, assessed against the Common Areas and to discharge any liens or claims of lien against Common Areas,

5) To receive, administer, and apply funds generated by annual and special assessments for the common benefit of the owners and residents of Houses located within the Properties.

B. To perform all acts and exercise all powers authorized by the Non-Profit Corporation Act, Sections 53-8-1 through 53-8-99, N.M.S.A. 1978 Corp., as now or hereafter amended, and to perform all acts and exercise all powers

³ Citations may not be accurate because the photocopy of the source document was not clear.

which a non-profit corporation is authorized to under all applicable statutes in New Mexico, as now or hereafter amended, including without limitation the following:

1) To receive and administer funds and contributions received by gift, deed, bequest or device and to hold, invest, expend, contribute or otherwise dispose of such funds and contributions for the purposes for which this Corporation is organized,

2) To borrow money and make, execute or issue bonds, debentures, promissory notes or other corporate obligations for money borrowed, or in payment for property acquired, and to secure the payment of any such corporate obligations by pledge, mortgage, indenture, agreement, or otherwise,

3) To acquire by purchase or otherwise personal property of every kind whatsoever and to hold, invest and reinvest same for the purposes for which the Corporation is organized,

4) To acquire by purchase or otherwise real property and to hold, use, improve, lease, rent, sell, convey, or encumber same for purposes for which this Corporation is organized,

5) To enter into, make, perform and carry out contracts, agreements, commitments and assurances of every kind for the purposes for which this Corporation is organized, and

6) In doing, exercising or performing any of the foregoing, to do the same as a contractor subcontractor, principal, agent employee or on its own behalf, or in association, partnership, corporation or joint venture with any person, partnership, corporation, joint venture or other business entity.

C. To exercise all powers which the Corporation is authorized to exercise pursuant to the Article of Incorporation primarily for the purposes of acquisition, construction, management, maintenance and care of Common Ares consistent with the provision of Section 528 of Internal Revenue Code of 1954, as now hereafter amended,

D. The Corporation shall neither have nor exercise any power, not shall directly or indirectly engage in any activity which would result in its net earnings inuring to the benefit of any private person.

ARTICLE IV: Duration

The period of duration of the Corporation shall be perpetual.

ARTICLE V: Registered Agent and Office

The registered agent of the Corporation is John Myers and the address of the registered office of the Corporation is 6400 Uptown Boulevard, N.E., Suite 200 West, Albuquerque, New Mexico 87110.

ARTICLE VI: Board of Directors

The management of the affairs of the Corporation shall be vested in the Board of Directors consisting of not less than three (3) persons. At the Second Annual Meeting of Members, two (2) members of the Board of Directors shall be elected (sic) to serve one (1) year terms. The remaining member of the Board of Directors shall be elected to serve one (1) year terms (sic). The remaining member of the Board of Directors shall be elected for a two (2) year term and all subsequent elections for member to the Board of Directors shall be for two (2) year terms. Directors may be non-members of the Association. Until the Second Annual Meeting of Members, the initial Board of Directors shall consist of three (3) persons whose name and addresses appear below:

Lloyd N. Strosnider
Suite 275, 6121 Indian School Road, N.E.
Albuquerque, New Mexico 87110

Robert Thomas Hartley
Post Office Box 1407
Clovis, New Mexico 88101

Tim Strosnider
Suite 275, 6121 Indian School Road, N.E.
Albuquerque, New Mexico 87110

ARTICLE VIII: Membership and Voting Rights

A. Membership: Every person or entity who is the beneficial owner of a fee simple interest, including Purchaser under contract of sale, in any Lot subject to the Restrictions shall be a member of the association, provided that any person or entity holding such interest as security for the payment of a debt or performance of any obligation shall not be a member; provided, however, that any person or entity who acquires such interest at a judicial sale or by conveyance in lieu of foreclosure shall be a member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to Restrictions.

B. Voting Rights. The Association shall have two (2) classes of voting membership:

1. Class I. Class I members shall be all those members as defined in Section A of this Article VIII with the exception of Stro-Hart Development, Ltd., a New Mexico limited partnership, (herein the "Grantor"). Class I members shall be entitled to one vote for each Lot in which they hold the interest required to one vote for each Lot in which they hold the interest required for membership as provided in Section A of Article VIII. When more than one person or entity hold such interest, all such persons or entities shall be members, but only one vote shall be cast with respect to any Lot.

2. Class II. The Class II members shall be the Grantor, its successors and assigns. The Class II member shall be entitled to four (4) votes for each Lot in which it holds interest required for membership as provided in Section A of this Article VIII, provided that the Class II membership shall cease and become converted to Class I membership upon the occurrence of both of the following events:

- a. When the total votes outstanding in Class I membership equal the total votes outstanding in Class II membership, and
- b. December 31, 1990.

C. Suspension of Membership and Voting Rights. The rights of membership, including the right to vote and the right to participate in Association affairs, are subject to suspension by the Board for: (1) failure or refusal to pay any assessment levied by the Association for a period thirty (30) days after the due date of such assessment, or (2) an infraction of, default in or breach of any provision of the Restrictions, the Articles, By-Laws or Rules and Regulations of the Association.

ARTICLE IX: Amendment

These Articles of Incorporation may be amended, changed modified or repealed in the manner now or hereafter provided by law upon the affirmative vote of two-thirds (2/3) of the voting power of the members entitled to vote in person or by proxy at a meeting duly called for that purpose, written notice of which shall have been sent to all members not less than thirty (30) nor more than fifty (50) days prior to such meeting. Such written notice of meeting must set for the purpose of the meeting.

IN WITNESS WHEREOF, the undersigned Incorporator of this Corporation has made and signed these Articles of Incorporation this 27th day of July, 1988.

Appendix 1: Subdivision Rules

1. Alarm Systems: Use of exterior alarm systems shall be prohibited unless they shut off automatically five minutes after activation. Exterior audio alarms must shut off automatically. Exterior flashing lights may continue to flash to identify house. (Adopted 7/16/90)
2. Construction Work – Limitation of Hours: Construction work shall be limited to the hours between 7 a.m. and sundown, Monday through Saturday. No construction work may be undertaken on statutory holidays. Only interior work that does not affect the quiet enjoyment of residents is permitted on Sundays, statutory holidays and between sundown and 7 a.m. (Adopted 9/10/91)
3. Construction Work – Cleanliness of Sites^{iv}: Debris must be removed and construction sites – including adjacent roads – cleaned on a weekly basis. Each violation shall subject the contractor and owner to a \$50 fine, deductible from the \$1000 site cleanup deposit. *Fines shall be imposed seven days following written notice from the Architectural Control Committee. (Adopted 9/10/91)
4. Landscaping: Landscaping shall be in harmony with the Southwest design indigenous to the area and shall be designed to make judicious use of water and the natural terrain. The planting of deciduous trees and any others that can exceed the height of the native pinon and juniper trees shall require prior approval of the Architectural Control Committee. In determining the size and placement of all plantings, owners should give due consideration to other lot owners' concerns about their views. (Adopted 9/10/91)
5. Invisible Fences: Buried electrical animal control fences, often called invisible fencing, must be approved by the Architectural Control Committee prior to installation. Normal placement will be a minimum of 30 feet from the street. Where the house structure reaches the setback line on the street side, variance may be granted when it is desired to give dogs access to the front of the house. Between adjacent houses, the location of such fences, when it is desired to place them within the setback, should be coordinated with the neighbors. (Adopted 11/22/93)
6. Roof Devices: (Amendment to Article III, Section 3.02h, page 9): All devices placed on roofs, including but not limited to coolers and air conditioners, must be shown on plans submitted for approval, and plans for additions to be made after completion of building. The plans must be approved by the Architectural Control Committee before installation. (Provisions of the original article shall remain in full force and effect.)
7. Plan Review and Cleanup: A non-refundable plan review fee of \$50 and a refundable cleanup deposit of \$1000 shall be made when plans are submitted for approval of any construction for which a building permit is required by public authority. Cleanup means removal of cut trees, trimmings and other vegetation; daily removal (or covered storage for later disposal) of scraps, litter and refuse of all kinds, including but not limited to lunch bags, boxes, napkins, beverage containers and any other objects which may be scattered by the elements; removal of rock, gravel, sand, concrete, dirt or any other substances tracked into the street; expeditious repair of any damage done to street, shoulders or utilities. (Adopted 5/13/94)
8. Private Sales: La Mariposa members may organize one weekend yard, garage, tag, or estate sale per lot per year. No sale shall extend beyond two days. Hours are restricted to those between 9 a.m. and 4:30 p.m. Sales are restricted to personal property. No commercial products may be brought in for sale. (In accordance with LMHA covenant 3.02.s, no business or commercial activity can be conducted from any lot, except activities that are inoffensive to owners of other lots, and comply with zoning laws.) The Secretary must be notified of any proposed sale dates to avoid conflicts. No more than one sale will be

permitted on any given date. Renters must obtain permission of the lot owner before conducting a sale. Signs for a sale within La Mariposa must be discreet and limited in number to three. They must not be placed earlier than the first stated hour of the sale and must be removed at the sale's close. Residents conducting the sale must ensure that visiting vehicles do not block any La Mariposa streets or driveways of neighbors. (Residents may advertise personal property for sale on the community bulletin board at any time and as often as they wish. Such notices should be restricted to a 4x5" index card and generally should be taken down after a week or so... or upon sale of the item.) (Adopted 8/2/95)

9. Tree Flagging During Construction: A new ruling adopted by the Architectural Review Committee requires that the property be flagged before construction so as to prevent machinery from encroaching on adjacent property. (Adopted 1991)
10. Trash Control Deposit: Board of Directors passed a ruling that a trash control deposit of \$300.00 will be required for a new house start and for any subsequent improvements on the Lot. The Board decided not to require a second \$50.00 architectural review. (Adopted August 29, 1990)

End Notes

ⁱ Originally 3.02.h read as follows: "No exterior antenna of any sort, including satellite dishes, shall be installed or maintained on any House or within the Subdivision, except those devices which are erected, installed, placed or maintained and used entirely under the eaves or enclosed within a building or structure or screened from view from other Lots and streets, which are otherwise specifically authorized by the Subdivision Rules. This provision shall remain enforceable even if enforcement attic is not commenced within the time limitations otherwise provided by the Subdivision Restrictions."

ⁱⁱ Originally 3.02.o read as follows: "No structure shall exceed eighteen feet (18') in height, measured from the highest natural undisturbed ground level adjacent to the House."

ⁱⁱⁱ "Note (2/4/2007: Federal Communications Commission Rule 47, Code of Federal Regulations Section 1.4000 has been in effect since October 1996, after this amendment was made. This rule prohibits restrictions that impair the installation, maintenance, or use of antennas used to receive video programming. The rule applies to video antennas including direct-to-home satellite dishes that are less than one meter (39.73") in diameter, TV antennas, and wireless cable antennas. The rule prohibits most restrictions that (1) unreasonably delay or prevent installation, maintenance or use; (2) unreasonably increase the cost of installation, maintenance or use; and (3) preclude reception of an acceptable quality signal. La Mariposa restrictions/covenants cannot violate FCC rules. The Rule should be consulted if a problem arises.
[See <http://www.fcc.gov.mb/facts/otard.html>]"

^{iv} Note: Original cleanup deposit was raised from \$300 to \$1000 on 5/13/94) Also, see Rule 7.