

Upon recording, please return to:

President

High Desert Investment Corporation

3791 Southern Boulevard, Suite 202

Rio Rancho, New Mexico 87124

SANDOVAL COUNTY

200441052

Book- 407 Page- 41052

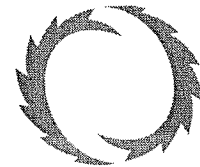
1 of 121

12/23/2004 08:43:18 AM

COMMUNITY CHARTER

FOR

MARIPOSA RESIDENTIAL PROPERTY



M A R I P O S A

HYATT & STUBBLEFIELD, P.C.
Attorneys and Counselors
Peachtree Center South Tower
225 Peachtree Street, N.E., Suite 1200
Atlanta, Georgia 30303

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| PREAMBLE | 1 |
| DECLARATION OF COVENANT..... | 1 |
| PART ONE: INTRODUCTION TO THE COMMUNITY..... | 2 |
| Chapter 1 Governing Documents..... | 3 |
| 1.1. Scope and Applicability | 3 |
| 1.2. Additional Covenants | 4 |
| 1.3. Conflicts/Severability | 4 |
| 1.4. Definitions | 4 |
| 1.5. Interpretation of Certain References | 4 |
| 1.6. Term and Termination | 5 |
| Chapter 2 Community Administration..... | 7 |
| 2.1. The Founder | 7 |
| 2.2. The Association | 8 |
| 2.3. The Board | 8 |
| 2.4. The Owners | 8 |
| 2.5. Builders..... | 8 |
| 2.6. The Assembly | 9 |
| 2.7. Neighborhood Associations..... | 9 |
| 2.8. Mortgagees | 9 |
| Chapter 3 Community Structure and Organization..... | 11 |
| 3.1. Designations of Properties Comprising the Community | 11 |
| 3.2. Neighborhoods..... | 12 |
| 3.3. Election Districts | 12 |
| 3.4. Service Areas | 12 |
| Chapter 4 Association Membership and Voting Rights..... | 14 |
| 4.1. Membership | 14 |
| 4.2. Voting | 14 |
| PART TWO: COMMUNITY STANDARDS | 16 |
| Chapter 5 Architecture, Landscaping and Aesthetic Standards | 17 |
| 5.1. Purpose and Objective | 17 |
| 5.2. General | 17 |
| 5.3. Design and Environmental Review Authority..... | 18 |
| 5.4. Guidelines and Procedures | 19 |
| 5.5. No Waiver of Future Approvals | 21 |
| 5.6. Variances | 21 |
| 5.7. Limitation of Liability..... | 21 |
| 5.8. Certificate of Compliance..... | 22 |
| 5.9. Archeological Features | 22 |

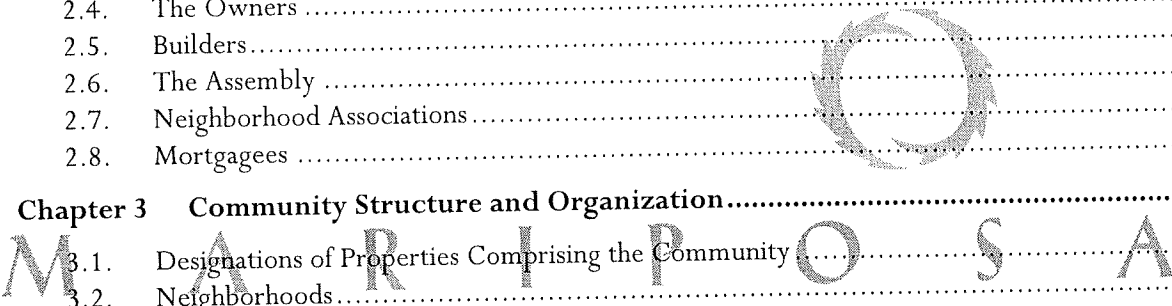


TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Chapter 6 Maintenance, Repair and Replacement | 23 |
| 6.1. Maintenance of Units | 23 |
| 6.2. Maintenance of Neighborhood Property | 23 |
| 6.3. Responsibility for Repair and Replacement | 24 |
| 6.4. Maintenance and Repair of Party Walls and Similar Structures | 24 |
| Chapter 7 Use and Conduct | 26 |
| 7.1. Use, Occupancy, and Transfer of Interests in Units | 26 |
| 7.2. Rulemaking Authority and Procedures | 27 |
| 7.3. Protection of Owners and Others | 28 |
| 7.4. Owners' Acknowledgment and Notice to Purchasers | 29 |
| Chapter 8 Compliance and Enforcement | 30 |
| 8.1. Compliance | 30 |
| 8.2. Remedies for Non-Compliance | 30 |
| 8.3. Board Decision to Pursue Enforcement Action | 31 |
| 8.4. Attorneys Fees and Costs | 32 |
| 8.5. Enforcement of Ordinances | 32 |
| PART THREE: ASSOCIATION OPERATIONS | 33 |
| Chapter 9 Property Management | 34 |
| 9.1. Acceptance and Control of Association Property | 34 |
| 9.2. Maintenance of Area of Common Responsibility | 34 |
| 9.3. Discontinuation of Operation | 35 |
| 9.4. Restoring Damaged Improvements | 35 |
| 9.5. Relationships with Other Properties, Including Nonresidential Properties | 36 |
| 9.6. Cooperation with the Assembly | 36 |
| Chapter 10 Provision of Services | 37 |
| 10.1. Provision of Services to Units | 37 |
| 10.2. Provision of Services to Service Areas | 37 |
| 10.3. Community Technology | 38 |
| Chapter 11 Association Insurance | 39 |
| 11.1. Required Coverages | 39 |
| 11.2. Deductibles | 40 |
| 11.3. Policy Requirements | 40 |
| 11.4. Insurance Premiums | 41 |
| Chapter 12 Association Finances | 42 |
| 12.1. Association Expenses | 42 |
| 12.2. Budgeting for and Allocating Association Expenses | 42 |
| 12.3. Special Assessments | 44 |
| 12.4. Specific Assessments | 44 |

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| 12.5. Authority to Assess Owners; Time of Payment..... | 45 |
| 12.6. Obligation for Assessments | 45 |
| 12.7. Lien for Assessments | 46 |
| 12.8. Exempt Property | 47 |
| 12.9. Capitalization of Association..... | 47 |
| 12.10. Use and Consumption Fees..... | 47 |
| PART FOUR: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY | 48 |
| Chapter 13 Easements | 49 |
| 13.1. Easements in Common Area | 49 |
| 13.2. Easements of Encroachment | 49 |
| 13.3. Easements for Utilities and Other Infrastructure | 50 |
| 13.4. Easements to Serve Additional Property | 50 |
| 13.5. Easements for Maintenance, Emergency, and Enforcement..... | 51 |
| 13.6. Easement to Inspect and Right to Correct..... | 51 |
| 13.7. Easement for Installation, Maintenance, and Repair of Solar Power Equipment | 51 |
| 13.8. Easement for Cross-Drainage | 52 |
| 13.9. Easement for Walls or Fences..... | 52 |
| Chapter 14 Environment and Transportation | 53 |
| 14.1. Water Conservation | 53 |
| 14.2. Open Space and Natural Arroyos..... | 53 |
| 14.3. Community Recycling Programs | 53 |
| 14.4. Transportation System..... | 53 |
| Chapter 15 Disclosures and Waivers | 55 |
| 15.1. Facilities and Services Open to the Public | 55 |
| 15.2. Safety and Security | 55 |
| 15.3. Changes in Master Plan..... | 55 |
| 15.4. View Impairment..... | 55 |
| 15.5. Notices and Disclaimers as to Community Systems and Services | 56 |
| 15.6. Notices and Disclaimers as to Future Building Activity..... | 56 |
| 15.7. Northwest Loop | 56 |
| Chapter 16 Rights of Lenders..... | 57 |
| 16.1. Notices of Action | 57 |
| 16.2. Special FHLMC Provision | 57 |
| 16.3. Other Provisions for First Lien Holders..... | 58 |
| 16.4. Amendments to Documents..... | 58 |
| 16.5. No Priority..... | 59 |
| 16.6. Notice to Association | 59 |
| 16.7. Failure of Mortgagee to Respond..... | 59 |
| 16.8. Construction of Chapter 16 | 59 |

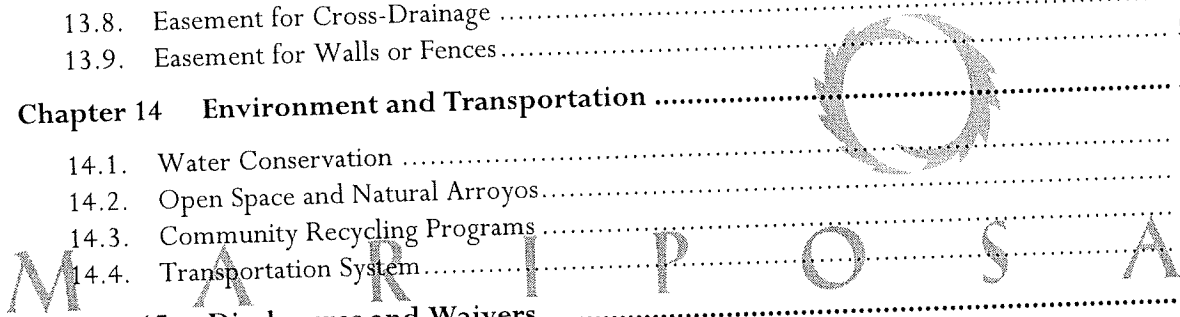


TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| PART FIVE: COMMUNITY DEVELOPMENT | 60 |
| Chapter 17 Expansion of the Community | 61 |
| 17.1. Expansion by Founder | 61 |
| 17.2. Expansion by the Association | 61 |
| 17.3. Additional Covenants and Easements | 61 |
| 17.4. Effect of Filing Supplement | 61 |
| 17.5. Condominium Conversions | 62 |
| Chapter 18 Additional Rights Reserved to the Founder | 63 |
| 18.1. Withdrawal of Property | 63 |
| 18.2. Marketing and Sales Activities | 63 |
| 18.3. Right to Develop | 63 |
| 18.4. Right to Approve Changes in Mariposa Standards | 63 |
| 18.5. Exclusive Rights to Use Name of Development | 63 |
| 18.6. Community Systems | 64 |
| 18.7. Easement to Inspect and Right to Correct | 64 |
| 18.8. Right to Notice of Design or Construction Claims | 64 |
| 18.9. Right to Transfer or Assign the Founder's Rights | 64 |
| 18.10. Rights to Stormwater Runoff and Water Reclamation | 65 |
| 18.11. Founder's Right to Obtain Water Use Information | 65 |
| 18.12. Termination of Rights | 65 |
| PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN ACTIONS | 66 |
| Chapter 19 Dispute Resolution and Limitation on Litigation | 67 |
| 19.1. Agreement to Encourage Resolution of Disputes Without Litigation | 67 |
| 19.2. Dispute Resolution Procedures | 68 |
| 19.3. Initiation of Litigation by Association | 69 |
| Chapter 20 Changes in the Common Area | 70 |
| 20.1. Assignment and Reassignment of Limited Common Area | 70 |
| 20.2. Condemnation | 70 |
| 20.3. Partition | 70 |
| 20.4. Transfer or Dedication of Common Area | 71 |
| 20.5. Public Gardens and Common Area | 71 |
| 20.6. Additional Covenants and Restrictions | 71 |
| Chapter 21 Amendment of Community Charter | 72 |
| 21.1. By the Founder | 72 |
| 21.2. By Owners | 72 |
| 21.3. Validity and Effective Date | 72 |
| 21.4. Exhibits | 73 |
| INDEX TO DEFINED TERMS | 75 |

TABLE OF EXHIBITS

| <u>Exhibit</u> | <u>Title</u> | <u>Page First Men- tioned</u> |
|----------------|---|-----------------------------------|
| A | Initial Property | 1 |
| B | Expansion Property | 7 |
| C | Initial Rules | 3 |
| D | By-Laws of Mariposa Community Association, Inc. | 1 |

COMMUNITY CHARTER
FOR
MARIPOSA

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
7 of 121
12/23/2004 08:43:18 AM

PREAMBLE

High Desert Investment Corporation, a New Mexico corporation, as the Founder of Mariposa, has established and recorded this Community Charter ("**Charter**") to provide a governance structure and a flexible system of standards and procedures for the overall development, expansion, administration, maintenance, and preservation of Mariposa as a master planned community. The Charter sets forth provisions regarding development, property ownership, operating methods, and the rights and responsibilities of the Association and owners. Attached as Exhibit "D" to the Charter is the Association's By-Laws, which are drafted in accordance with New Mexico non-profit corporation law and set forth the procedures for operating the Association.

The Founder intends to develop Mariposa as a mixed-use community while combining the traditions of the Southwest with a unique living experience. An integral part of Mariposa's development plan is the formation of Mariposa Community Association, Inc., a New Mexico nonprofit corporation whose membership consists of all owners of residential property in Mariposa (the "**Association**"). The Association's roles are to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Charter and the other Governing Documents referenced in this Charter. In order to assure that Mariposa is developed, maintained, and preserved in a manner that is consistent with these goals, the Founder has recorded or intends to record the Community Covenant for Mariposa, which governs all of the property within Mariposa and institutes community building initiatives. In addition, the Founder has established this Charter to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance, and preservation of certain residential components of Mariposa.

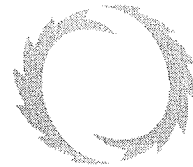
DECLARATION OF COVENANT

The "**Community**" referred to in this Charter consists of the property described in Exhibit "A" and any additional property made subject to this Charter in the future by amendment or supplement, as provided for in the following chapters. This Charter shall run with the title to such property, binding not only Mariposa Development Company, its successors and assigns (the "**Founder**"), but also the future owners of any portion of the property; their respective heirs, successors, successors-in-title, and assigns; and any other person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of such property. This Charter shall also be binding upon the Association, its successors and assigns.

SANDCVL COUNTY
200441052
Book- 407 Page- 41052
8 of 121
12/23/2004 08:43:18 AM

PART ONE: INTRODUCTION TO THE COMMUNITY

To accomplish great things, we must not only act, but also dream; not only plan, but also believe.
Anatole France



M A R I P O S A

Chapter 1

Governing Documents

A community is guided and governed by certain principles that each owner and resident, by choosing to own property or reside in the community, agree to uphold. Those principles are set forth in the community's governing documents, which serve as a tie that binds the community together, give it structure, and provide guidance to all who participate in its growth and evolution.

as on anyone else that may now or in the future have an interest in any portion of the property comprising the Community. Such documents, referred to in this Charter as the "**Governing Documents**," include this Charter and the other documents described in Table 1.1, as they may be amended. All owners and occupants, as well as their tenants, guests, and invitees, are required to comply with the Governing Documents. All owners and occupants shall be held accountable and liable for the actions of their tenants, guests, and invitees.

1.1. Scope and Applicability

The Community has been established and is administered pursuant to various documents that have a legal and binding effect on all owners and occupants of property in the Community, as well

| GOVERNING DOCUMENTS | |
|---|---|
| Community Charter: (recorded) | this Community Charter for Mariposa, which creates obligations that are binding upon the Association and all present and future owners of property in Mariposa |
| Supplement: (recorded) | a recorded Supplement to this Charter, which may submit additional property to this Charter; create easements over the property described in the Supplement; impose additional obligations or restrictions on such property; designate Neighborhoods, Service Areas, Election Districts, or Limited Common Areas; or any of the foregoing |
| Articles of Incorporation: (filed with the New Mexico Secretary of State) | the Articles of Incorporation of Mariposa Community Association, Inc., as they may be amended, which establish the Association as a nonprofit corporation under New Mexico law |
| By-Laws: (attached as Exhibit "D") | the By-Laws of Mariposa Community Association, Inc. adopted by its Board of Directors, as they may be amended, which govern the Association's internal affairs, such as voting, elections, meetings, etc. A copy of the By-Laws is attached as Exhibit "D" |
| Guidelines for Sustainability: (Founder adopts) | the design, architectural, and aesthetics standards, and sustainable development and environmental preservation guidelines adopted pursuant to Chapter 5, as they may be amended, which govern new construction and modifications to Units, including structures, landscaping, conservation, and other items on Units |
| Rules: (initial set attached as Exhibit "C") | the rules of the Association adopted pursuant to Chapter 7, which regulate use of property, activities, and conduct within Mariposa |
| Board Resolutions: (Board adopts) | the resolutions which the Board adopts to establish rules, policies, and procedures for internal governance and Association activities and to regulate the operation and use of the property which the Association owns or controls |

Table 1.1 - Governing Documents

Governing Documents

SANDOVAL COUNTY

200441052

Book- 407 Page- 41052

10 of 121

12/23/2004 08:43:18 AM

1.2. Additional Covenants

The owner of any property within the Community may impose additional covenants on such property with such approval as may be required pursuant to Section 17.3 and 20.6. If the provisions of any such additional covenants are more restrictive than the provisions of this Charter, the more restrictive provisions control. The Association shall have standing and the power, but not the obligation, to enforce any such additional covenants.

1.3. Conflicts/Severability

If there are conflicts between any of the Governing Documents and New Mexico law, New Mexico law shall control. If there are conflicts between or among any of the Governing Documents, then the Charter, the Articles, and the By-Laws (in that order) shall control. If there is a conflict between the Governing Documents and any additional covenants recorded on any property within the Community (or the rules or policies adopted pursuant to any such additional covenants), the Governing Documents will control.

Diagrams, tables, and text set apart in boxes, some with "key" icons, are used in the Governing Documents to illustrate concepts and assist the reader. If there is a conflict between any of these and the text of the Governing Documents, the text shall control. In addition, the quotations throughout this Charter are for information only and have no legal effect.

Space has been set aside throughout this Charter to allow the reader to make notes. Those spaces and the heading that denotes the spaces are not part of this Charter.

If any court determines that any provision of this Charter is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision in other instances.

1.4. Definitions

Capitalized terms used in the Governing Documents have the meaning described in the paragraph where they first appear in bold print. An index to defined terms may be found at the end of this Charter. All other terms used in the Governing Documents have their natural, commonly accepted definitions.

1.5. Interpretation of Certain References

Consent or Approval. All references in the Governing Documents to "**consent**" or "**approval**" shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

Discretion and Determination. All references in the Governing Documents to "**discretion**" or to the right to "**determine**" any matter shall refer to the sole and absolute power or right to decide or act. Unless otherwise expressly limited in the Governing Documents or by law, anyone authorized in the Governing Documents to exercise discretion or make a determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

Person. References in the Governing Documents to a "**Person**" or "**Persons**" shall refer to an individual, a corporation, a partnership, a limited liability company, or any other legal entity.

Notice. All references in this Charter to "**notice**" shall be deemed to refer to written notice by personal delivery, United States mail, private carrier, or, if the intended recipient has given its prior written authorization to use such method of delivery, facsimile or electronic mail with written confirmation of transmission.

Governing Documents

Notices shall be deemed to have been duly given and effective if:

(a) sent by United States mail, three days after deposited with the U.S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(b) delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or

(c) sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation of transmission.


Recording. All references in the Governing Documents to a "**recorded**" legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed or the filing of a legal instrument in the official records of Sandoval County, or such other place designated as the official location for filing documents affecting title to real estate in Sandoval County in order to make them a matter of public record.

Community-Wide Standard. Where the Governing Documents require compliance with the "**Community-Wide Standard**," the standard to be applied is the highest of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in the Community, or (b) the minimum standards described in this Charter, the Community Covenant, the Guidelines for Sustainability, the Rules, and Board resolutions. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the Board's, the Assembly's, or the Sustainability Review Board's discretion. The Community-Wide Standard may or may not be set out in writing. The Founder initially shall establish such standard; however, the Community-Wide Standard

may evolve as development progresses and as Mariposa changes.

Maintenance. All references in this Charter to "**maintenance**" shall refer to maintenance, repair, rehabilitation, and renewal.

1.6. Term and Termination

 There is an old concept of law known as the "Rule Against Perpetuities" that restricts how long covenants can affect the title to land. Many jurisdictions no longer observe such rule; however, where the rule applies, the term of the covenants cannot exceed 21 years after the death of a named person who is living at the time the covenants are recorded.

This Charter is intended to be of perpetual duration. However, if New Mexico law restricts the duration of covenants running with the land, any provision in this Charter affected by such law shall run with and bind the land for so long as permitted under the law, after which time the provisions shall be automatically extended for successive 10-year periods unless at least 75% of the then Owners and the Founder, for so long as it owns any property within Mariposa, sign a document stating that the Charter is terminated and that document is recorded within the year before any extension. In such case, this Charter shall terminate on the date specified in the termination document.

If any provision of this Charter is or becomes unlawful, void, or voidable by reason of any rule restricting the period of time that covenants can affect title to property, that provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

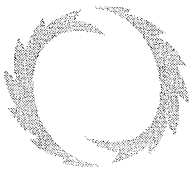
This section shall not permit termination of any easement created in this Charter without the consent of the holder of such easement.

Governing Documents

Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people. Henry Clay

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
12 of 121
12/23/2004 08:43:18 AM

NOTES AND THOUGHTS



M A R I P O S A

Chapter 2 Community Administration

Vibrant communities depend upon all of their stakeholders working together to uphold community standards and achieve the vision and goals for the community. The Founder, the Association, the owners, the builders, and others have a role in the functioning of the community and in helping to fulfill that vision. This chapter identifies these stakeholders and describes their roles in administering the Community.

2.1. The Founder

The Founder has established the vision for the Community and, through the Governing Documents, has set forth the founding principles that will guide the Community during the initial period of development and sale and thereafter. The Founder's proposed plan for development of the Community is described in the land use plan(s) for Mariposa approved by Sandoval County, New Mexico and adopted by the City of Rio Rancho, as it may be supplemented and amended from time to time, which encompasses all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B" (the "**Master Plan**"). However, the Founder is not obligated to submit property shown on the Master Plan to this Charter. In addition, the Founder may submit property to this Charter that is not shown on the Master Plan.

Components of the Master Plan which are incorporated herein by reference are: (i) the Annexation and Development Agreement Between the City of Rio Rancho, the Albuquerque Academy, and High Desert Investment Corporation, dated February 13, 2002, as amended or supplemented from time to time; and (ii) all development or maintenance standards, ordinances, or modifications imposed against Mariposa by the City of Rio Rancho or other governmental agencies. Amendments to any of the above shall not

require an amendment to this Community Charter.

The Founder has reserved various rights in the Governing Documents with respect to development and administration of the Community. The Founder may exercise certain of these rights throughout the "**Development and Sale Period**," which is the period of time during which the Founder or any of its successors or assigns owns real property in the Community or has an unexpired option to expand the Community pursuant to Chapter 17.

Other rights may be exercised only during the "**Founder Control Period**," which is the period of time that the Founder is entitled to appoint a majority of the members of the Association's board of directors ("**Board**"). It begins on the date of the Association's incorporation and terminates upon the first of the following to occur:

(a) when 75% of the total number of Units permitted by the Master Plan have certificates of occupancy issued thereon and have been conveyed to persons other than builders holding title for purposes of construction and resale;

(b) 40 years after this Charter is recorded;
or

(c) when, in its discretion, the Founder so determines and declares in a recorded instrument.

The Founder has certain approval rights for a limited period as provided in the By-Laws after the termination of the Founder Control Period.

The Founder may assign its status and rights as the Founder under the Governing Documents to any person who takes title to any portion of the

Community Administration

property described in Exhibit "A" or "B" for the purpose of development and/or sale. Such assignment shall be made only in a recorded instrument signed by both parties.

2.2. The Association

The Founder has established the Association as the primary entity responsible for administering Mariposa in accordance with the Governing Documents. On most matters, the Association acts through the Board. However, in some instances the Governing Documents or applicable law limit the Board's ability to act without the approval of the Association's members. Unless the Governing Documents or New Mexico law specifically provide otherwise, the Board may exercise the Association's rights and powers without a vote of the membership.

The Association may exercise all rights and powers that the Governing Documents and New Mexico expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. It may also take any action reasonably necessary to effectuate any such right or privilege.

2.3. The Board

The Board is the body responsible for administration, management, and operation of the Association. The Board is selected as provided in the By-Laws and serves the same role as a board of directors under New Mexico corporate law.

The Board may institute, defend, settle, or intervene on behalf of the Association in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Area of Common Responsibility, enforcement of the Governing Documents, or any other civil claim or action. However, the Board has no legal duty to institute litigation or any other proceeding on behalf of or in the name of the Association or its members.

In exercising the Association's rights and powers, making decisions on the Association's behalf (including, without limitation, deciding whether to file a lawsuit or take other legal action under any circumstances) and conducting the Association's affairs, Board members and the Association's officers are required to comply with, and shall be judged by, the standards set forth in the By-Laws.

2.4. The Owners

Each Person that holds record title to a Unit is referred to in the Governing Documents as an "Owner." However, a Person who holds title merely as security for the performance of an obligation (such as a lender holding a mortgage or similar security instrument) is not considered an "Owner." If a Unit is sold under a recorded contract of sale, and the contract specifically so states, the purchaser (rather than the holder of fee simple title) will be considered the Owner. If a Unit has more than one Owner, all Co-Owners are jointly and severally obligated to perform the responsibilities of the Owner under the Governing Documents.

Every Owner has a responsibility to comply with the Governing Documents and uphold the community standards described in Part Two of this Charter. Each Owner also has an opportunity to participate in the administration of the Community through membership in the Association and through service to the Community in various committee and leadership roles, as described in Chapters 3 and 4 and in the By-Laws.

2.5. Builders

Much of the responsibility and credit for helping to create Mariposa rests with the "Builders" -- those Persons who purchase one or more unimproved lots or parcels of land within Mariposa for further subdivision or development and resale in the ordinary course of their business. The Builders have the same privileges and responsibilities as Owners during the time that they own

Community Administration

Units for construction and resale, including the privileges of membership in the Association. In addition, the Founder may extend to Builders it designates some of the rights it has reserved under the Governing Documents with respect to development, marketing, and sale of property in the Community.

The Founder recognizes the importance of Builders in the Community and considers each Builder to be an important representative of Mariposa. The Founder will often look to Builders to transfer Mariposa's community vision and mission to Owners. The Builders' role in the community is also vital to Mariposa's commitment to sustainable development and preservation of the environment, now and for years to come.

2.6. The Assembly

The Founder has created the Mariposa Assembly, Inc. ("**Assembly**") as a means of generating, enhancing, and pursuing a genuine sense of community within Mariposa. While the Association is primarily responsible for managing real property and enforcing Rules for Mariposa, the Assembly exists to empower, encourage, and provide a means for each Owner and occupant of Mariposa to participate in and benefit from environmental, educational, and community-oriented affairs, services, programs, and activities.

The Assembly has rights and responsibilities, which are described in and governed by the recorded Community Covenant for Mariposa ("**Community Covenant**") and its by-laws and articles of incorporation. The Association and all Owners are subject to the Community Covenant and the Assembly's jurisdiction. Unless otherwise indicated, any reference in the Governing Documents to approval or other action by the Assembly refers to action by the Assembly's board of directors ("**Assembly Board**"), as governed by the Assembly's governing documents.

In any event, the Assembly's approval shall not unreasonably be withheld, conditioned, or delayed. In the event of a conflict between the Governing Documents and the Assembly's governing documents with respect to the Assembly's rights and responsibilities, the Assembly's governing documents shall control. In the event of a conflict between the Governing Documents and the Assembly's governing documents with respect to the Association's rights and responsibilities, the Governing Documents shall control.

2.7. Neighborhood Associations

Portions of the Community may be developed under a condominium form of ownership or under other circumstances that require a separate owners association to administer additional covenants applicable to that particular area. Any such association is referred to as a "**Neighborhood Association**". However, nothing in this Charter requires the creation of a Neighborhood Association, and the jurisdiction of any Neighborhood Association shall be subordinate to that of the Association.

Neighborhood Associations, if any, are responsible for administering the additional covenants applicable to the property within their jurisdiction and for maintaining, in accordance with the Community-Wide Standard, any property which they own or which their respective covenants designate as being for the common benefit of their members.

2.8. Mortgagees

If a Unit is made subject to a mortgage or other form of security instrument affecting title to a Unit ("**Mortgage**"), then the holder or beneficiary of that Mortgage ("**Mortgagee**") also has an interest in the administration of the Community. The Governing Documents contain various provisions for the protection of Mortgagees, including those set forth in Chapter 16.

Community Administration

A community is like a ship; everyone ought to be prepared to take the helm. Henrik Ibsen

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
16 of 121
12/23/2004 08:43:18 AM



M A R I P O S A

Chapter 3

Community Structure and Organization

The Community consists of parcels of property, referred to as Units, which are intended for the exclusive use of the Owner and other occupants of such parcel, as well as property that is intended for common use. Units are grouped into Neighborhoods and Election Districts to facilitate voting on Association matters. Units are assigned to Service Areas to permit the Association to provide special services and benefits to, and at the expense of, particular areas of the Community.

3.1. Designations of Properties Comprising the Community

Units. The Governing Documents refer to the homes and home sites in Mariposa as "Units." A Unit is a portion of Mariposa, depicted in a recorded subdivision plat, survey, or condominium instrument, which may be independently owned and conveyed and is zoned or otherwise intended for development, use, and occupancy as a residence for a single family. The term "Unit" refers to the land, if any, which is part of the Unit as well as to structures or other improvements on the Unit. A parcel of land is considered a single Unit until such time as a subdivision plat or condominium instrument is recorded subdividing it into more than one Unit. The term "Unit" does not include Common Areas, as defined below, common property of any Neighborhood Association, or property dedicated to the public.

Common Area. Any property and facilities that the Association owns or in which it otherwise holds possessory or use rights for the common use or benefit or enjoyment of more than one Unit is referred to as "Common Area." The Common Area also includes any property

that the Association holds under a lease and any easements in favor of the Association.

Limited Common Area. Certain portions of the Common Area may be designated as "Limited Common Area" for the exclusive use or primary benefit of Units in specified portions of the Community. Limited Common Areas might include such things as entry features, recreational facilities, lakes, and landscaped medians and cul-de-sacs, among other things.

The Founder may designate property as Limited Common Area and assign it to particular Units on the recorded plat depicting such property, in the deed conveying such property to the Association, or in the Supplement by which the property is submitted to the terms of this Charter. At any time during the Development and Sale Period, the Founder may assign use of the same Limited Common Area to additional Units.

Area of Common Responsibility. All of the properties and facilities for which the Association has responsibility under the Governing Documents, or for which the Association otherwise agrees to assume responsibility, are collectively referred to in the Governing Documents as the "Area of Common Responsibility," regardless of who owns them. The Area of Common Responsibility includes all of the Common Area and may also include Units or portions of Units and property dedicated to the public, such as public rights-of-way. The initial Area of Common Responsibility is described in Chapter 9.

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
17 of 121
12/23/2004 08:43:18 AM

Community Structure and Organization

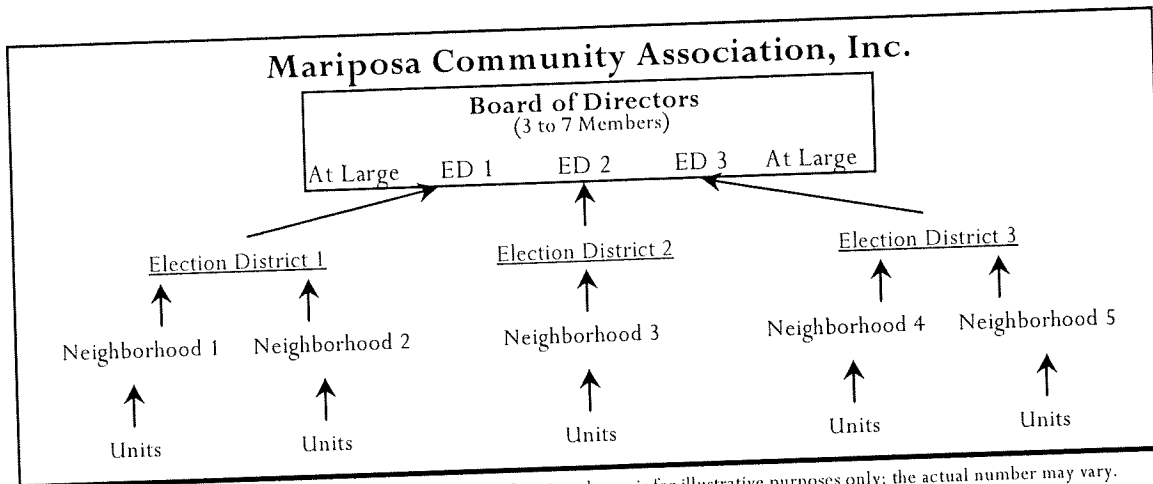


Diagram 3.1. The number of Neighborhoods and Election Districts shown is for illustrative purposes only; the actual number may vary. All Election Districts will vote for election of directors to fill any "at large" seats.

3.2. Neighborhoods

Units are grouped into "**Neighborhoods**" to facilitate a system of representative voting on matters as to which the Governing Documents require approval of the Association's membership. A Neighborhood may be comprised of any number of Units and may include Units of more than one housing type, as well as Units that are not contiguous to one another.

The Founder will initially assign Units to a specific Neighborhood (by name or other identifying designation) either in Exhibit "A" or in a Supplement. During the Development and Sale Period, the Founder may unilaterally record a Supplement, or an amendment to this Charter or any previously recorded Supplement, to designate or change Neighborhood boundaries. Thereafter, the Board may amend this Charter or any Supplement to re-designate Neighborhood boundaries; however, the Board may not combine two or more existing Neighborhoods without the consent of Owners of a majority of the Units in the affected Neighborhoods.

3.3. Election Districts

The Founder or the Board may designate "**Election Districts**," consisting of the Units within one or more Neighborhoods, for the purpose of electing directors to the Board. The method of establishing Election Districts and their role in elections are set forth in the By-Laws. The number of Election Districts shall not

exceed the total number of directors on the Board. The purpose of Election Districts is to provide for representation on the Board by groups with potentially dissimilar interests and to avoid a situation in which particular groups are able to elect the entire Board due to the number of votes they represent.

Diagram 3.1 illustrates the Association's organizational structure and the manner in which each Election District will elect representatives to the Board after the Founder Control Period.

3.4. Service Areas

Units may also be part of one or more "**Service Areas**" in which the Units share Limited Common Areas or receive special benefits or services from the Association that it does not provide to all Units within the Community. A Unit may be assigned to more than one Service Area, depending on the number and types of special benefits or services it receives. A Service Area may be comprised of Units of more than one housing type and may include Units that are not contiguous.

The Founder may initially designate Service Areas and assign Units to a particular Service Area either in Exhibit "A" or in a Supplement. During the Development and Sale Period, the Founder may unilaterally amend this Charter or any Supplement to change Service Area boundaries.

Community Structure and Organization

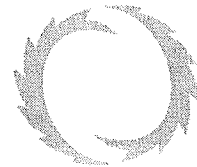
In addition, the Board may, by resolution, designate Service Areas and assign Units to them upon petition of Owners of at least 67% of the Units affected by the proposed designation pursuant to Section 10.2.

The Owners of Units within each Service Area may elect a "Service Area Committee" in accordance with the By-Laws to represent and act on behalf of the Owners with respect to the services and benefits that the Association provides to the Service Area. References to Service Areas in the Governing Documents shall also refer to such Service Area Committees, if appropriate from the context.

*Chaos is the law of nature; order is the dream
of men.
Henry Adams*

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
19 of 121
12/23/2004 08:43:18 AM



M A R I P O S A

Chapter 4

Association Membership and Voting Rights

The Association is a mechanism by which each Owner can participate in the governance and administration of Mariposa. While many powers and responsibilities are vested in the Board in order to facilitate day-to-day management and operation, the membership and voting rights vested in each Owner allow the Owners to participate in administration of the Community and influence the outcome of major decisions.

4.1. Membership

The Association initially has two classes of membership: the Owner membership, which is comprised of all Owners, including Builders, and the Founder membership, which consists solely of the Founder.

(a) Owner Membership. Every Owner is automatically a member of the Association. However, there shall be only one membership per Unit. Thus, if a Unit has more than one Owner, all co-Owners of the Unit shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth below and in the By-Laws. If an Owner is a corporation, a partnership, or other legal entity, its membership rights may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a writing to the Association's Secretary, except that only the individuals residing in the Unit shall be entitled to use any recreational facilities available for use by members.

(b) Founder Membership. The Founder holds the sole Founder membership. The Founder membership shall terminate two years after expiration of the Founder Control Period, or on such earlier date as the Founder determines and declares in a recorded instrument.

4.2. Voting

Each Unit is assigned one equal vote, except that no vote shall be exercised for any property exempt from assessment under Section 12.8. Further, during such time as there is a Founder membership, no vote shall be exercised for Units that the Founder owns; rather, the Founder's consent shall be required for various actions of the Board, the membership, and committees, as specifically provided elsewhere in the Governing Documents.

Due to the number of Units that may be developed in Mariposa, the Governing Documents provide for a representative system of voting. The Owners of Units in each Neighborhood elect a "Voting Delegate" in the manner provided in the By-Laws, to cast the votes of all Units in the Neighborhood on matters requiring a vote of the membership, except where the governing documents specifically require a vote of the Owners. However, until such time as the Board first calls for election of a Voting Delegate for a particular Neighborhood, each Owner of a Unit in such Neighborhood shall be considered a "Voting Delegate" and may personally cast the vote attributable to such Owner's Unit on any issue requiring a vote of the Voting Delegates under the Governing Documents.

The Voting Delegate attends Association meetings and casts all votes assigned to Units in that Neighborhood on any matters requiring a vote of the Association membership. A Voting Delegate may vote all votes it is entitled to cast in its discretion and may, but need not, poll the Owners of Units in the Neighborhood which he or she represents prior to voting. On any matter, other than election of directors, for which a Voting Delegate is entitled to cast more than one

Association Membership and Voting Rights

vote, the Voting Delegate may cast all such votes as a block or split them but shall not be entitled to fractionalize any single vote.

Voting Delegates are subordinate to the Board, and their responsibility and authority does not extend to policymaking, supervising, or otherwise being involved in Association governance beyond voting on matters put to a vote of the membership.

In any situation in which an Owner is entitled personally to exercise the vote for his or her Unit, if there is more than one Owner of such Unit, the vote shall be exercised as the co-Owners determine among themselves and advise the Association's Secretary in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

If you don't like something, change it. If you can't change it, change your attitude. Don't complain. Maya Angelou

M A R T I

NOTES AND THOUGHTS

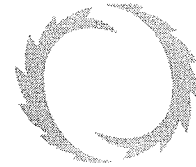
SANDOVAL COUNTY

200441052

Book- 407 Page- 41052

21 of 121

12/23/2004 08:43:18 AM



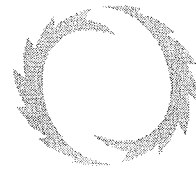
P O S A

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
22 of 121
12/23/2004 08:43:18 AM

PART TWO: COMMUNITY STANDARDS

The price of greatness is responsibility.

Winston Churchill



M A R I P O S A

Chapter 5

Architecture, Landscaping and Aesthetic Standards

The Community derives its unique character from a mix of compatible architectural styles and from the cooperation of all Builders and Owners in upholding minimum design, landscaping, and environmental aesthetic standards. This chapter explains how those standards are established and how they are applied and maintained through a process requiring prior approval for construction on and exterior modifications to improvements on Units.

5.1. Purpose and Objective

In order to preserve the natural beauty of Mariposa and to establish a long-term, unifying design for Mariposa that assists in the preservation of that natural beauty and to ensure that Mariposa is a sustainable community (*i.e.*, Mariposa's commitment to conservation, preservation, and the enhancement of the natural environment by reducing man's impact on the land), the Founder, and later the Sustainability Review Board ("**Sustainability Review Board**" or "**SRB**"), shall promulgate and enforce Guidelines for Sustainability and review proposed improvements, alterations, and modifications to structures, landscaping, and natural areas on Units. Additionally, any improvement, alteration, or modification that has an environmental impact on or affects water supply and conservation is subject to review.

Design and environmental review is essential to Mariposa's development and to achieving the following purposes, without limitation, as more fully described in the Guidelines for Sustainability:

(a) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, or removal of trees and vegetation which could scar natural landforms;

(b) Ensuring that the location and configuration of structures are visually harmonious with the terrain and vegetation of the Units and with surrounding Units and structures and do not dominate unacceptably any area of Mariposa;

(c) Ensuring that the architectural design of structures and their massing, materials, and colors are visually harmonious with Mariposa's overall appearance and with natural landforms and native vegetations;

(d) Ensuring that plans for landscaping blend or co-exist harmoniously with the natural landscape; and

(e) Promoting sustainable building design and construction techniques that respond to energy conservation and environmental quality considerations.

5.2. General

All site work, landscaping, structures, improvements, and other items placed on a Unit in a manner or location visible from outside of any existing structures on the Unit and/or anything that may have an impact upon sustainability ("**Improvements**") are subject to standards for design, landscaping, and aesthetics adopted pursuant to this chapter ("**Guidelines for Sustainability**") and the approval procedures set forth in this chapter, except as this chapter or the Guidelines for Sustainability may otherwise specify.

No prior approval is necessary to repaint the exterior of structures on any Unit using the most recently approved color scheme or to rebuild or restore any damaged structures on a Unit in a manner consistent with the plans and specifications most recently approved for such structures. Generally, no approval is required for work done

Architecture, Landscaping and Aesthetic Standards


to the interior of a structure; however, modifications to the interior of screened porches, patios, and any other portions of a Unit visible from outside a structure do require prior approval.

Any dwelling constructed on a Unit shall be designed by and built in accordance with the approved plans unless the Founder or its designee, in its discretion, otherwise approves.

Approval under this chapter is not a substitute for any approvals or reviews required by City of Rio Rancho or any governmental agency or entity having jurisdiction over architectural or construction matters.

This chapter shall not apply to the Founder's design and construction activities or to the Association's design and construction activities during the Development and Sale Period.

5.3. Design and Environmental Review Authority

 Initially, the Founder reviews applications for proposed Improvements and determines whether they should be approved. Thereafter, the Board of Directors will appoint a Sustainability Review Board to review applications for proposed improvements. The Founder or the Sustainability Review Board is referred to as the "Reviewer." The Reviewer sets fees for reviewing applications.

(a) Founder. The Founder shall have exclusive authority to review and act upon all applications for review of proposed Improvements until the later of (i) the expiration of the Development and Sale Period, or (ii) such time as all Units planned for the property described in Exhibits "A" and "B" have been improved with dwellings for which a certificate of occupancy has been issued. The Founder may designate one or more persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, the Founder and its designee

act solely in the Founder's interest and owe no duty to any other Person.

From time to time, the Founder may delegate any or all of its rights under this chapter to other Persons or committees, including the SRB appointed pursuant to Section 5.2(b). Any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to (i) the Founder's right to revoke such delegation at any time and reassume its prior control, and (ii) the Founder's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable. So long as the Founder has any rights under this chapter, the jurisdiction of others shall be limited to such matters as the Founder specifically delegates.

(b) Sustainability Review Board. Upon the Founder's delegation of authority pursuant to Section 5.3(a), or upon expiration or termination of the Founder's rights under this chapter, the Board shall appoint a Sustainability Review Board to assume jurisdiction over matters within the scope of the delegated authority or this chapter, respectively. The SRB shall consist of at least three, but not more than seven, persons, who shall serve and may be removed and replaced in the Board's discretion unless appointed by the Founder. SRB members need not be Owners or representatives of Owners. The SRB may, but need not, include architects, engineers, or similar professionals. The Association may compensate SRB members in such manner and amount, if any, as the Board may determine appropriate.

Until expiration of the Founder's rights under this chapter, the SRB shall notify the Founder in writing within seven business days of any action (*i.e.*, approval, partial approval, or disapproval) it takes under this chapter. A copy of the application and any additional information the Founder may require shall accompany the notice. The Founder shall have 15 business days after receipt of such notice to veto any such action, in its sole discretion, by written notice to the SRB.

Architecture, Landscaping and Aesthetic Standards

Unless and until such time as the Founder delegates all or a portion of its reserved rights to the SRB or the Founder's rights under this chapter terminate, the Association shall have no jurisdiction over architectural matters.

(c) *Reviewer.* For purposes of this chapter, the entity having jurisdiction in a particular case shall be referred to as the "**Reviewer.**"

(d) *Fees; Assistance.* The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application. The Board may include the compensation of such persons in the Association's annual operating budget.

In addition, the Association may require a reasonable "**Compliance Deposit.**" Such Compliance Deposit shall be held by the Association to ensure compliance by an Owner and/or its Builder to construct such improvements in accordance with the approval granted pursuant to this Chapter. If, after reasonable notice, an Owner and/or its Builder do not take steps to bring such improvements into compliance with the approval, the Association may use all or a portion of the Compliance Deposit to bring such improvements into compliance. The Association may pursue any and all remedies available under New Mexico law to enforce compliance. Any cost incurred by the Association shall constitute a lien on the violator's Unit.

5.4. Guidelines and Procedures



The purpose of the Guidelines for Sustainability is to maintain a consistent character and quality of appearance for the Improvements within the community to ensure that Improvements are constructed in an orderly manner, and to ensure environmental integrity. The Guidelines for Sustainability may describe what types of plants may be used for landscaping and what types of building materials and design elements are preferred and others that are discouraged. The Guidelines for Sustainability also provide a specific procedure for submitting applications for proposed Improvements and describe how to carry out the construction of the Improvements once approval has been received.

(a) *Guidelines for Sustainability.* The Founder shall prepare the initial Guidelines for Sustainability, which may contain general provisions applicable to all of Mariposa as well as specific provisions that vary among uses or locations within the Community. The Guidelines for Sustainability will address environmental concerns, including regulations for sustainable development, site planning, drainage management, landscape architecture and management, and water and energy conservation. The Guidelines for Sustainability are also intended to provide guidance to Owners and contractors regarding matters of particular concern to the Reviewer, including construction, and architecture. The Guidelines for Sustainability may incorporate provisions from the Master Plan or local, state, and federal law.

The Guidelines for Sustainability are not the exclusive basis for the Reviewer's decisions, and compliance with the Guidelines for Sustainability does not guarantee approval. Owners and/or Builders shall also be required to comply with City of Rio Rancho codes.

The Founder shall have sole and full authority to amend the Guidelines for Sustainability for so

Architecture, Landscaping and Aesthetic Standards

long as it has review authority under Section 5.3(a). The Founder's right to amend the Guidelines for Sustainability shall continue even if it delegates reviewing authority to the SRB, unless the Founder also delegates the power to amend to the SRB. Upon termination or delegation of the Founder's right to amend, the SRB may amend the Guidelines for Sustainability with the Board's consent.

Amendments to the Guidelines for Sustainability shall be prospective only. They shall not require modifications to or removal of any structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Guidelines for Sustainability as amended. There shall be no limitation on the scope of amendments to the Guidelines for Sustainability Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Guidelines for Sustainability less restrictive and/or more restrictive.

The Reviewer shall make the Guidelines for Sustainability available to Owners and their contractors upon request. In the Founder's discretion, such Guidelines for Sustainability may be recorded, in which event the recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Guidelines for Sustainability was in effect at any particular time.

(b) Procedures. Unless the Guidelines for Sustainability provide otherwise, no activities described in Section 5.2 may begin on any portion of Mariposa until a written application is submitted to and approved by the Reviewer. The application must be accompanied by plans and specifications and such other information as the Reviewer or the Guidelines for Sustainability require.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the pro-

posed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements.

The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and sustainability, and such determinations shall not be subject to review so long as they are made in good faith and in accordance with required procedures.

The Reviewer shall make a determination on each application after receipt of a completed application with all required information. The Reviewer may permit or require that an application be submitted or considered in stages, in which case a final decision shall not be required until after the final, required submission. The Reviewer may (i) approve the application with or without conditions; (ii) approve a portion of the application and disapprove other portions; (iii) disapprove the application; or (iv) defer the application.

The Reviewer shall notify the applicant in writing of the final determination on any application no later than 30 business days after its receipt of a completed application and all required submissions; however, with respect to any SRB determination subject to the Founder's veto right under Section 5.3(a), the Reviewer shall notify the applicant of the final determination within 40 business days after its receipt of the final determination and all required submissions.

If the Reviewer fails to respond in a timely manner, approval shall be deemed given. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Guidelines for Sustainability unless a written variance has been granted pursuant to Section 5.6.

Architecture, Landscaping and Aesthetic Standards

As part of any approval, the Reviewer may require that construction commence within a specified time period. If construction does not commence within the required period, the approval shall expire, and the Owner must reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer, in its discretion, grants an extension in writing. The Reviewer may exempt certain activities from the application and approval requirements of this chapter if such activities are undertaken in compliance with the Guidelines for Sustainability and the Community-Wide Standard.


(c) Appeals Process. After the appointment of the SRB by the Board, disapprovals of applications may be appealed by the applicant to the Board. To request an appeal, the applicant must submit to the Secretary of the Board a copy of the original application, the notification of the disapproval of the application, and a letter requesting an appeal no later than 15 days after the delivery of the notification of disapproval. The appeal request shall also contain a response to any specific concerns or reasons for disapproval, if any, listed in the notification of disapproval. The Board may (i) affirm the SRB's decision, (ii) affirm a portion and overturn a portion of the SRB's decision, or (iii) overturn the SRB's decision. The Board shall notify the applicant and the SRB in writing of its decision no later than 30 days after its receipt of the request for appeal with all required information. The Board's decision shall include a description of its reasons for overturning the SRB's decision. During the appeal process the Owner shall not commence any of the activities outlined in the application.

5.5. No Waiver of Future Approvals

The people reviewing applications under this chapter will change from time to time, and opinions on aesthetic matters, as well as interpreta-

tion and application of the Guidelines for Sustainability, may vary accordingly. It may not always be possible to identify objectionable features until work is completed. In such cases, the Reviewer may elect not to require changes to objectionable features. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

5.6. Variances

 In some circumstances, an Owner may find it difficult or impossible to comply with the requirements of the Guidelines for Sustainability. In that case, the Owner can file a request with the Reviewer to be excused from complying with the Guidelines for Sustainability. The Reviewer has the discretion to grant or deny the request.

The Reviewer may authorize variances from compliance with any of the Guidelines for Sustainability and any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations justify a variance or if the Reviewer otherwise reasonably deems a variance to be appropriate under the particular circumstances; however, the Reviewer shall under no circumstances be obligated to grant variances. No variance shall (a) be effective unless in writing; (b) be contrary to this Charter or the Community Covenant; or (c) prevent the Reviewer from denying a variance in other circumstances. A variance requires the Founder's written consent during the Development and Sale Period and, thereafter, requires the Board's written consent.

5.7. Limitation of Liability

This chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics and sustainability of

Architecture, Landscaping and Aesthetic Standards

Mariposa; they do not create any duty to any Person. Review and approval of any application pursuant to this chapter may be based purely on aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all dwellings are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

The Founder, the Association, its officers, the Board, any committee, and members of any of the foregoing shall not be liable for (a) soil conditions, drainage, or other general site work; (b) any defects in plans revised or approved hereunder; (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not the Founder has approved or featured such contractor as a Builder; or (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. In all matters, the Association shall defend and indemnify the Board, the SRB, and the members of each as provided in the By-Laws.

5.8. Certificate of Compliance

Any Owner may request in writing that the Reviewer issue a certificate of compliance confirming that there are no known violations of this chapter or the Guidelines for Sustainability. The Association shall either grant or deny such written request within 30 days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent the Association from taking enforcement action against an Owner for any condition known to the Association on the date of such certificate. Upon issuance of such a certificate, the Association shall promptly return any unused or unapplied portion of such Owner's Compliance Deposit.

5.9. Archeological Features

Archeological features exist at Mariposa. The presence of an archeological feature within or adjacent to a Unit may impact the manner in which an Owner is permitted to improve his/her Unit.

No Owner may disrupt, destroy, dismantle, damage, or remove any archeological features without the SRB's approval. The existence and location of any known archeological features of a Unit shall be considered by the Reviewer in evaluating an application for approval. In the event that any archeological features exist on the Unit, the Owner should, to the extent possible, avoid disruption of the archeological features.

*We shape our buildings and our
buildings shape us. Winston Churchill*

NOTES AND THOUGHTS

P O S A

SANDOVAL COUNTY

200441052

Book- 407 Page- 41052

28 of 121

12/23/2004 08:43:18 AM

Chapter 6

Maintenance, Repair and Replacement

One of the benefits of owning property in a planned community is the commitment among neighbors to maintain their property in a neat, attractive, and well-landscaped condition to enhance the overall beauty and aesthetic appeal of the community. This chapter describes the Owners' responsibilities for maintenance and repair of their Units and for insuring their Units against property damage so that funds will be available for repair and restoration if needed.

6.1. Maintenance of Units

Each Owner shall maintain his or her Unit, including all structures, landscaping, and other improvements comprising the Unit, in a manner consistent with the Governing Documents and the Community-Wide Standard, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood Association pursuant to this Charter, any Supplement, or by law. Such maintenance responsibility shall include (i) maintenance of all plantings and prompt removal of dead trees and plant material; and (ii) the obligation to remove encroachments by trees, shrubs, or other plant material located on the Unit onto property that is not part of the Unit, including sidewalks, streets, other Units, or the Common Area. In addition, each Owner shall maintain his or her Unit in compliance with the Community's master drainage plan, which the City of Rio Rancho and/or Sandoval County has approved.

Each Owner shall also be responsible, if shown on a plat or in a Supplement relating to such Owner's Unit, for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the Unit boundary and any wall, fence, or curb located on the Common Area or public right-of-way within 10 feet of the Unit boundary. However, Owners may not remove trees,

shrubs, or similar vegetation from this area without prior approval pursuant to Chapter 5.

6.2. Maintenance of Neighborhood Property

A Neighborhood Association, if any, shall maintain its common property and any other property for which it has maintenance responsibility in a manner consistent with the Governing Documents, the Community-Wide Standard, and all applicable covenants.

Any Neighborhood Association shall also be responsible for maintaining and irrigating the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the boundary of its common property and any wall, fence, or curb located on the Common Area or public right-of-way within 10 feet of its boundary. A Neighborhood Association shall not remove trees, shrubs, or similar vegetation from this area without prior approval pursuant to Chapter 5.

The Association may assume maintenance responsibility for property in any Neighborhood, either upon designation of the Neighborhood as a Service Area pursuant to Section 3.4 or upon the Board's determination, pursuant to Chapter 8, that the level and quality of maintenance then being provided is not consistent with the Community-Wide Standard. Such maintenance shall be assessable against all Units in the benefited Neighborhood as a Service Area Assessment, as provided in Section 12.2(c). The Association need not treat all similarly situated Neighborhoods the same.

SANDOVAL COUNTY
200441052

Book- 407 Page- 41052
29 of 121.

12/23/2004 09:43:19 AM

Maintenance, Repair, and Replacement

6.3. Responsibility for Repair and Replacement

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standard.

Each Owner shall carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible, unless either a Neighborhood Association (if any) or the Association carries such insurance (which they may but are not obligated to do). If the Association assumes responsibility for insuring a Unit, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Unit and the Owner.

Within six months of any damage to or destruction of a structure on a Unit, the Unit's Owner shall promptly repair or reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved pursuant to Chapter 5 unless the Board, in its discretion, agrees in writing to extend such period. Alternatively, the Owner shall clear the Unit of debris and maintain it in a neat and attractive landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs that insurance proceeds do not cover.

Additional recorded covenants applicable to any Neighborhood or Service Area may establish additional insurance requirements and more stringent standards for rebuilding or reconstructing structures on Units and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

This Section shall apply to a Neighborhood Association with respect to common property within the Neighborhood in the same manner as

if the Neighborhood Association was an Owner and the common property was a Unit.

6.4. Maintenance and Repair of Party Walls and Similar Structures

Each wall, fence, driveway, or similar structure built as part of the original construction on the Units that serves and/or separates any two adjoining Units shall be considered a party structure. The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who use the party structure.

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

The right to and the obligation of contribution for party walls and similar structures between Owners, as provided in this Section, shall be appurtenant to the land and shall pass to such Owner's successor-in-title.

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 omissions shall apply to any party structure. Any dispute concerning a party structure shall be subject to the provisions of Chapter 19.

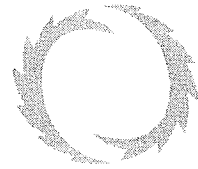
Any proposed changes to a party structure shall be submitted for approval pursuant to Chapter 5 and agreed upon in a written agreement in recordable form by the Owners of all Units that are served or separated by the party structure.

Maintenance, Repair, and Replacement

*Any activity becomes creative when the doer
cares about doing it right, or doing it better.
John Updike*

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
31 of 121
12/23/2004 08:43:18 AM



M A R I P O S A

Chapter 7 Use and Conduct

In order to maintain a residential environment that encourages respect for and courtesy among neighbors and minimizes the potential for disputes, this chapter sets forth basic standards regarding use, occupancy, and transfer of interests in Units. In addition, it provides a procedure by which the Board and the membership can adopt and change rules regulating use, conduct, and activities within the Community to address particular needs and desires of the Community over time.

7.1. Use, Occupancy, and Transfer of Interests in Units

(a) *Residential and Related Uses.* Units may be used only for residential and related purposes, except as the Founder may otherwise authorize with respect to construction, marketing, and sale activities of the Founder and Builders it designates. A business activity shall be considered "related" to a residential use and thus permitted under this Section only if conducted by a person or persons residing in the Unit and only if the business activity:

(i) is discrete and not apparent or detectable by sight, sound, or smell from outside of a permitted structure;

(ii) complies with applicable zoning requirements;

(iii) does not involve regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within the Community;

(iv) is consistent with Mariposa's residential character and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Board determines in its discretion.

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Additionally, examples of "discrete business activities" include, but are not limited to, computer-based telecommunications and literary, artistic, or craft activities. The Board may restrict any business activities that interfere with the enjoyment of residential property in its sole and absolute discretion.

Leasing a Unit for residential purposes shall not be considered a "business" within the meaning of this subsection, provided that the Owner and any other Owners with whom such Owner is affiliated do not collectively lease or offer for lease more than one Unit at any time. This provision shall not preclude an institutional lender from leasing a Unit upon taking title following foreclosure of its security interest in the Unit or upon acceptance of a deed in lieu of foreclosure. For purposes of this Charter, the terms "Lease" and "Leasing" shall refer to the regular, exclusive occupancy of a Unit by any Person other than the Owner, for which the Owner receives any consideration or benefit.

(b) *Leasing.* Any dwelling that is leased shall be leased only in its entirety; separate rooms, floors, or other areas within a dwelling may not be separately leased.

All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Unit are bound by and obli-

Use and Conduct

gated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.

Within 10 days of a lease being signed, the Owner of the leased Unit shall notify the Board or the Association's managing agent in writing of the lease and provide any additional information the Board may reasonably require. The Owner must give the tenant copies of the Governing Documents. In addition to, but consistent with this sub-section, the Association or the Board may adopt Rules governing leasing and subleasing.

(c) *Transfer of Title.* Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Person transferring title shall continue to be responsible jointly and severally with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title.

(d) *Subdivision and Combination of Units.* No Person other than the Founder and Builders authorized by the Founder shall subdivide or change the boundary lines of any Unit or combine Units without the Board's prior written approval. Any such action that the Board approves shall be effective only upon recording of a plat or other legal instrument reflecting the subdivision or new boundaries of the affected Unit(s). In the absence of such recorded instrument, adjacent Units owned by the same Owner shall continue to be treated as separate Units for purposes of voting and assessment, even though such Units may be improved with a single dwelling; therefore, the Owner of such Units shall be

responsible for the separate assessments for each of such Units.

(e) *Timesharing.* No Unit shall be used for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, unless such program is established by the Founder or with the Founder's prior written approval.

7.2. Rulemaking Authority and Procedures

The Governing Documents establish a framework of covenants and conditions that govern the Community. The initial Rules attached as Exhibit "C" are a part of that framework. However, within that framework, the Association must be able to respond to unforeseen issues and changes affecting the Community. Therefore, the Board and the Voting Delegates are authorized to change the Rules in accordance with the following procedures, subject to the limitations set forth in Section 7.3.

(a) *Board Authority.* Subject to the notice requirements in subsection (c) and the Board's duty to exercise judgment and reasonableness on behalf of the Association and its Members, the Board may adopt new Rules and modify or rescind existing Rules by majority vote of the directors at any Board meeting.

(b) *Membership Authority.* Subject to the notice requirements in subsection (c), the Voting Delegates representing a majority of the votes in the Association may also adopt new Rules and modify or rescind existing Rules at any meeting of the Association duly called for such purpose, regardless of the manner in which the original Rule was adopted. However, as long as the Founder membership exists, any such action shall also be subject to the Founder's approval.

Use and Conduct

(c) *Notice.* The Board shall send notice to all Owners concerning any proposed Rule change at least five business days prior to the meeting of the Board or the Voting Delegates at which such action is to be considered. At any such meeting, Voting Delegates shall have a reasonable opportunity to be heard before the proposed action is put to a vote.

This notice requirement does not apply to administrative and operating policies that the Board may adopt relating to the Common Areas, such as hours of operation of a recreational facility, and the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, notwithstanding that such policies may be published as part of the Rules.

(d) *Effective Date.* A Rules change adopted under this Section shall take effect 30 days after the date on which written notice of the Rules change is given to the Owners.



Since it is impossible to foresee all potential situations and problems that may arise within the community, the Board has the authority to adopt and modify rules as needed to address these changing circumstances.

(e) *Conflicts.* No action taken under this Section shall have the effect of modifying or repealing the Guidelines for Sustainability or any provision of this Charter other than the Rules. In the event of a conflict between the Guidelines for Sustainability and the Rules, the Guidelines for Sustainability shall control. In the event of a conflict between the Rules and any provision of this Charter (exclusive of the Rules), the Charter shall control.

7.3. Protection of Owners and Others

Except as may be set forth in this Charter (either initially or by amendment) or in the initial Rules set forth in Exhibit "C," all Rules shall comply with the following provisions:

(a) *Similar Treatment.* Similarly situated Units shall be treated similarly; however, the Rules may vary by Neighborhood or Service Area.

(b) *Displays.* No Rule shall abridge an Owner's right to display political, religious, or holiday symbols and decorations on his or her Unit of the kinds normally displayed in single-family residential neighborhoods, nor shall any Rule regulate the content of political signs. However, the Association may adopt time, place, and manner restrictions with respect to signs, symbols, and displays visible from outside structures on the Unit, including reasonable limitations on size and number.

Owners shall be entitled to display one flag on a pole of Board-approved size located on the Unit; provided, the Association may adopt time, place, and manner restrictions with respect to flag displays.

(c) *Household Composition.* No Rule shall interfere with an Owner's freedom to determine household composition, except that the Association may impose and enforce reasonable occupancy limitations and conditions based on Unit size and facilities and its fair share use of the Common Area.

(d) *Activities Within Dwellings.* No Rule shall interfere with the activities carried on within a dwelling, except that the Association may prohibit activities not normally associated with residential property. It may also restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise, traffic, or odors, that create unsightly conditions visible from outside the dwelling, or that are an unreasonable source of annoyance.


(e) *Allocation of Burdens and Benefits.* No Rule shall alter the allocation of financial burdens among the various Units or rights to use the

Use and Conduct

Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Chapter 12.

(f) *Leasing and Transfer of Units.* No Rule shall prohibit leasing or transfer of any Unit or require approval prior to leasing or transferring a Unit; however, the Rules may require a minimum lease term of up to 12 months. Minimum lease terms may vary by Neighborhoods or Service Areas. The Rules may also require that Owners use Board-approved lease forms (or include specific lease terms), and may impose a reasonable review or administrative fee in connection with the Board's review of a lease.

(g) *Abridging Existing Rights.* No Rule shall require that an Owner dispose of personal property kept in or on a Unit in compliance with the Rules in effect at the time such personal property was brought onto the Unit. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the Rule.

 This provision protects the existing personal property of Owners. It is intended to prevent a situation in which an Owner is forced to get rid of an item that was allowed prior to a change in the Rules. For example, if basketball hoops are allowed in driveways and then a Rule is passed prohibiting basketball hoops, the Board cannot force the Owners who have basketball hoops at that time to remove them. However, the Board can enforce this Rule against any other Owner desiring to install one. In addition, if an Owner sells his or her Unit and takes down the basketball hoop, the new Owner cannot install another.

(h) *Reasonable Rights to Develop.* No Rule may unreasonably interfere with the Founder's ability to develop, market, and sell property in Mariposa.

(i) *Interference with Easements.* No Rule may unreasonably interfere with the exercise of any easement.

7.4. Owners' Acknowledgment and Notice to Purchasers

By accepting a deed, each Owner acknowledges and agrees that the use, enjoyment, and marketability of his or her Unit is limited and affected by the Rules, which may change from time to time. All Unit purchasers are hereby notified that the Association may have adopted changes to the Rules and that such changes may not be set forth in a recorded document. A copy of the current Rules and all administrative policies are available from the Association upon request. The Association may charge a reasonable fee to cover its reproduction cost.

Peace rules the day when reason rules the mind.
Wilkie Collins

Chapter 8

Compliance and Enforcement

The covenants, standards, and rules set forth in the Governing Documents are for the benefit of all Owners and occupants of the Community. However, if they are to have any real meaning, there must be a commitment by the stakeholders in the Community to comply with them and there must be a mechanism in place to enforce that compliance in the event that someone fails or refuses to do so. This chapter sets forth the obligation to comply and the remedies available to the Association for noncompliance.

8.1. Compliance



All Owners and occupants of a Unit, as well as their tenants, guests, and other visitors, must abide by the Governing Documents and are subject to various penalties including fines and the loss of the right to use the Common Areas if they fail to do so.

Every Owner, occupant, and visitor to a Unit must comply with the Governing Documents and shall be subject to sanctions for violations as described in this chapter. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the occupants of or visitors to their Units and for any damage to the Area of Common Responsibility that such occupants or visitors cause.

8.2. Remedies for Non-Compliance

The Association, the Founder, and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents. In addition, the Board may impose sanctions for violation of the Governing Documents, including those listed below and any others described elsewhere in the Governing Documents.

(a) Sanctions Requiring Prior Notice and Hearing. After written notice and an opportu-

nity for a hearing in accordance with the By-Laws, the Board may:

(i) impose reasonable monetary fines, which shall constitute a lien upon the violator's Unit. In the event that any occupant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);

(ii) suspend an Owner's right to vote (except that no notice or hearing is required if the Owner is more than 90 days delinquent in paying any Base or Special Assessment);

(iii) suspend any Person's right to use any Common Area facilities (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation (except that no notice or hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed the Association); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(iv) suspend services the Association provides (except that no notice or hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association);

(v) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including remov-

Compliance and Enforcement

ing personal property that violates the Governing Documents);

(vi) without liability to any Person, preclude any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Chapter 5 and the Guidelines for Sustainability from continuing or performing any further activities in Mariposa;

(vii) levy Specific Assessments to cover costs the Association incurs in bringing a Unit into compliance with the Community-Wide Standard or other requirements under the Governing Documents; and

(viii) record a notice of violation or non-compliance with respect to any Unit on which a violation exists.

(b) Other Remedies. In addition to those actions set forth above, the Board may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing:

(i) exercise self-help or take action to abate a violation on a Unit in any situation that requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations)

(ii) exercise self-help or take action to abate a violation on the Common Area under any circumstances;

(iii) require an Owner or a Neighborhood Association, at its own expense, to perform maintenance or to remove any structure or improvement on such Owner's Unit or on the Neighborhood Association's property, respectively, that is in violation of the Community-Wide Standard or other requirements under the

Governing Documents and to restore the property to its previous condition;

(iv) enter the property and exercise self-help to remove or cure a violating condition if an Owner or Neighborhood Association fails to take action as required pursuant to subsection (iii) above within 10 days after receipt of written notice to do so, and any such entry shall not be deemed a trespass; or

(v) bringing suit at law for monetary damages or in equity to stop or prevent any violation, or both.

(c) Additional Powers Relating to Neighborhood Associations. In addition to the foregoing remedies, the Association shall have the power to veto any action that a Neighborhood Association proposes to take if the Board reasonably determines the proposed action to be adverse to the interests of the Association or its Members or inconsistent with the Community-Wide Standard. The Association also shall have the power to require specific action to be taken by any Neighborhood Association in connection with its obligations and responsibilities, such as requiring specific maintenance or repairs or aesthetic changes to be effectuated and requiring that a proposed budget include certain items and that expenditures be made therefor.

A Neighborhood Association shall take appropriate action required by the Association in a written notice within the reasonable time frame set by the Association in the notice. If the Neighborhood Association fails to comply, the Association shall have the right to effect such action on behalf of the Neighborhood Association and levy Specific Assessments to cover the costs, as well as an administrative charge and sanctions.

8.3. Board Decision to Pursue Enforcement Action

The decision to pursue enforcement action in any particular case shall be left to the Board's dis-

Compliance and Enforcement

cretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. For example, the Board may determine that, in a particular case:

(a) the Association's position is not strong enough to justify taking any or further action;

(b) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(d) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

8.4. Attorneys Fees and Costs

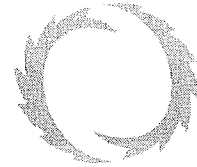
In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs reasonably incurred in such action.

8.5. Enforcement of Ordinances

The Association, by contract or other agreement, may enforce applicable city and county and other governmental entities' ordinances. In addition, Sandoval County or the City of Rio Rancho may enforce ordinances within Mariposa.

People need to be reminded more often than they need to be instructed. Samuel Johnson

NOTES AND THOUGHTS



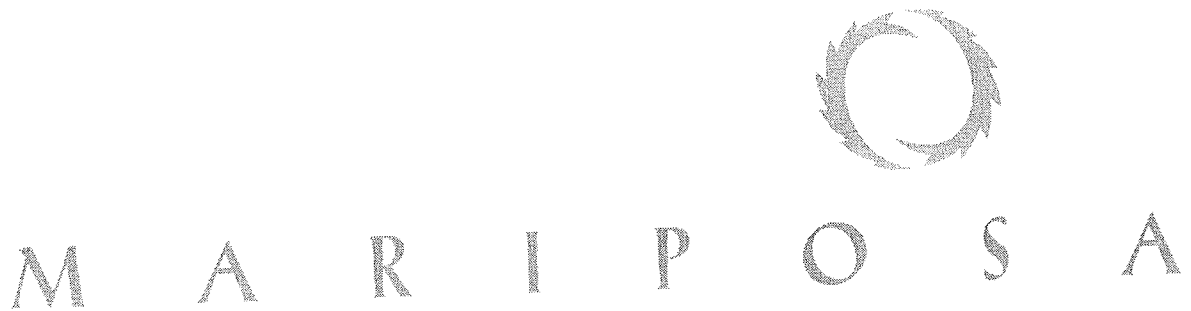
P O S A

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
38 of 121
12/23/2004 08:43:18 AM

PART THREE: ASSOCIATION OPERATIONS

Do what you can, with what you have, where you are.

Theodore Roosevelt



SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
39 of 121
12/23/2004 08:43:18 AM

Chapter 9 Property Management

One of the Association's primary functions is maintaining and operating property and facilities for the common benefit of the Owners and residents of Mariposa. This chapter establishes the Association's obligation to accept property that the Founder designates as Common Area or Limited Common Area and to maintain, operate, and insure it, along with certain other properties, for the benefit of Mariposa.

9.1. Acceptance and Control of Association Property

(a) *Transfers and Conveyances by the Founder.* The Founder and its designees may transfer or convey to the Association interests in real or personal property within or for the benefit of the Community, and the Association shall accept such transfers and conveyances. Such property may be improved or unimproved and may consist of fee simple title, easements, leases, licenses, or other real or personal property interests.

Upon the Founder's written request, the Association shall reconvey to the Founder any unimproved real property that the Founder originally conveyed to the Association for no payment, to the extent conveyed in error or needed to make minor adjustments in property lines or accommodate changes in the development plan.

(b) *Management and Control.* The Association is responsible for management, operation, and control of the Common Area subject to any covenants set forth in the deed or other instrument transferring the property to the Association. The Association may enter into leases, licenses, or operating agreements with respect to portions of the Common Area, for payment or no payment, as the Board deems appropriate. The Association may permit use of Common Area facilities by persons other than Owners and occupants of Units and may charge use fees, in

such amount as the Board may establish, for such use.

9.2. Maintenance of Area of Common Responsibility

The Association shall maintain the Area of Common Responsibility in accordance with the Community-Wide Standard. The Area of Common Responsibility includes, but is not limited to:

(a) the Common Area;

(b) any private streets situated upon the Common Area. However, the obligation to maintain private streets shall not include landscaping of the area in the private right-of-way between the edge of each Unit's property line and the curb. The maintenance of such private right-of-way shall be the responsibility of the Owner of each Unit abutting a private street. If the Association disturbs such landscaping in connection with its maintenance of the private streets, it shall restore and repair such landscaping;

(c) landscaping within public rights-of-way within or abutting Mariposa and areas designated as natural amenities; and

(d) such portions of any additional property as may be dictated by the Founder, this Charter, any Supplement, or any covenant or agreement for maintenance entered into by, or otherwise binding on the Association;

(e) any property and facilities that the Founder owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. The Founder shall identify any such property and facilities by written notice to the Association, and they shall remain part of the Area of Common

Property Management

Responsibility until the Founder revokes such privilege of use and enjoyment by written notice to the Association; and

(f) the structural features and surfaces of those portions of perimeter walls, fences, and other boundary controls within the Community that face open space, public rights-of-way, Common Area, or the Area of Common Responsibility. This responsibility shall include the rebuilding of walls, fences, and other boundary controls after structural damage and restuccoing or other resurfacing of wall surfaces including the tops of walls, but shall not include (i) general maintenance, restuccoing, or resurfacing of the surfaces of the surfaces of such perimeter walls, fences, or other boundary controls that face Units, which shall be the responsibility of the Owners of such Units; or (ii) any damage (structural or otherwise) to any portion of a wall caused by the Owner of a Unit, or such Owner's agents, representatives, or contractors, which damage and the repair of such damage shall be the sole responsibility of such Owner.

The Association shall also be responsible for proper functioning of certain portions of the stormwater drainage system serving the Community, including maintenance, repair and replacement, as needed, of pipes, culverts, and other structures and equipment comprising the system, except to the extent that such responsibility rests with the City of Rio Rancho or SSCAFCA. It shall have no responsibility for landscaping or other maintenance of Units burdened by stormwater drainage easements unless otherwise specifically set forth in a Supplement or in a recorded agreement or plat.


The Association may maintain other property it does not own, including, without limitation, Units, property dedicated to the public, or property owned or maintained by a Neighborhood Association if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The Association shall not be liable for any damage or injury oc-

curing on, or arising out of the condition of, property it does not own except to the extent that it has been negligent in performing its maintenance responsibilities.

9.3. Discontinuation of Operation

The Association shall maintain the Common Area facilities in continuous operation unless the Founder, during the Development and Sale Period, and Voting Delegates representing at least 75% of the total votes in the Association consent in writing to discontinue such operation. If the property is Limited Common Area, any discontinuation shall also require the approval in writing of at least 75% (or such higher percentage as a Supplement may require) of the Owners to whom such Limited Common Area is assigned. This paragraph shall not apply to temporary closures or interruptions in operation as the Board may determine appropriate to perform maintenance or repairs.

9.4. Restoring Damaged Improvements

 This provision ensures that desirable Common Area improvements will be replaced if destroyed, but it also makes it possible *not* to repair or rebuild if the Owners who benefit from the Common Area do not want it anymore.

In the event of damage to or destruction of portions of the Area of Common Responsibility for which the Association has insurance responsibility, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

The Association shall repair or reconstruct damaged Common Area improvements unless the Founder, during the Development and Sale Period, and Voting Delegates representing at

Property Management

least 75% of the total votes in the Association, decide within 60 days after the loss not to repair or reconstruct. If the damage is to Limited Common Area or Units within a Service Area, any decision not to restore the damaged improvements shall also require the approval of at least 75% of the Owners of Units in the affected Service Area. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. No Mortgagee shall have the right to participate in determining whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

The Association shall retain and place in a capital improvements account for the benefit of all Owners, or the Owners of Units within the affected Service Area, as appropriate, any insurance proceeds remaining after paying the costs of repair or reconstruction or after such settlement as is necessary and appropriate. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Voting Delegates, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 11.4.

9.5. Relationships with Other Properties, Including Nonresidential Properties

The Association may contract with the owner of any neighboring property or public entity to provide for sharing of costs associated with (a) maintenance and operation of mutually beneficial properties or facilities, or (b) provision of mutually beneficial services.

Adjacent to or in the vicinity of the Community, there will be nonresidential areas, which may include apartment homes, retail, and other business uses. *These nonresidential areas are not subject to this Charter.* The Association may enter into cost sharing agreements with a nonresidential property owner or any association organized to oversee the nonresidential areas.

9.6. Cooperation with the Assembly

The Association shall cooperate with the Assembly on all matters involving the Assembly's obligations and responsibilities under the Community Covenant. For example, to the extent reasonably feasible, the Association shall permit reasonable use of Common Area facilities by the Assembly, "charter clubs," and other volunteer groups for offices, programs, activities, and services. The Board, to the extent is reasonably appropriate and financially feasible, shall incorporate the Assembly's suggestions for community operations, which may come from Assembly surveys and focus groups or otherwise.

We cannot escape the responsibility of tomorrow by evading it today. Abraham Lincoln

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
42 of 121
12/23/2004 08:43:18 AM

Chapter 10

Provision of Services

In addition to its property management role, the Association is a vehicle for providing a variety of services for the benefit of the Community at large and individual Units. This chapter describes some of the services the Association may provide and the mechanism by which it may provide varying levels and types of services to different areas of the Community.

10.1. Provision of Services to Units

The Association may arrange for or provide services to Owners and their Units, directly or through contracts with the Founder or other third parties. The Association may enter into bulk service agreements by which a particular service is provided to all Units, or it may offer various services at the option of each Owner, or both. By way of example and not limitation, such services might include such things as fiber optic cable communications network, cable television, utilities, transportation, fire protection, security, trash collection, landscape maintenance, pest control, caretaker services, and technology services.

Any Association contract for services may require individual Owners or occupants to execute separate agreements directly with the Persons providing components or services in order to gain access to or obtain specified services. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or occupant of a Unit, may result in termination of services provided to such Unit. Any such termination shall not relieve the Owner of the continuing obligation to pay assessments for any portion of the charges for such service that are assessed against the Unit as a Common Expense or Service Area Expense pursuant to Chapter 12.

In its discretion, the Board may discontinue offering particular services and may modify or

cancel existing contracts for services, subject to the contract terms and any provision that may exist elsewhere in the Governing Documents requiring the Association to provide such services.

10.2. Provision of Services to Service Areas

(a) *Service Areas Designated by the Founder.* The Association shall provide services to Units within any Service Area designated by the Founder pursuant to Section 3.4 as required by the terms of any Supplement applicable to the Service Area.

(b) *Service Areas Designated by Board.* In addition to Service Areas which the Founder may designate pursuant to Section 3.4, any group of Owners may petition the Board to designate their Units as a Service Area for the purpose of receiving from the Association (i) special benefits or services which are not provided to all Units, or (ii) a higher level of service than the Association otherwise provides. Any such petition shall be signed by Owners of a majority of the Units within the proposed Service Area. Upon receipt of such petition, the Board shall investigate the terms upon which the requested benefits or services might be provided and notify the Owners in the proposed Service Area of such terms and the initial fees for providing the requested service, which may include a reasonable administrative charge. If Owners of at least 67% of the Units within the proposed Service Area approve the proposal in writing, the Board shall designate the Units as a Service Area and include the fees for such service as a line item in the Service Area budget pursuant to Section 12.2(c).

Provision of Services

10.3. Community Technology

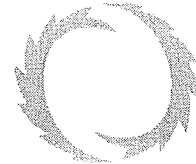
(a) *Community Systems.* Without limiting the generality of Sections 10.1 and 10.2, the Association is specifically authorized to provide, or to enter into contracts with other Persons to provide, in addition to services the Assembly provides, central telecommunication receiving and distribution systems (e.g., cable television, high speed data/Internet/intranet services, and security monitoring) and related components, including associated infrastructure, equipment, hardware, and software, to serve the Community ("**Community Systems**"). Any such contracts may provide for installation, operation, management, maintenance, and upgrades or modifications to the Community Systems as the Board determines appropriate. The Association shall have no obligation to utilize any particular provider(s). However, except for cause (as defined by written agreement with the provider), the Association may not, without the Founder's consent, terminate or refuse to renew any contract entered into during the Founder Control Period.

(b) *Opportunities for Community Interaction.* The Association may make use of computers, the Internet, and expanding technology or may cooperate with the Assembly to facilitate community interaction and encourage participation in Association activities. For example, the Association may sponsor a community cable television channel, create and maintain a community intranet or Internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and residents to interact and participate in Association-sponsored activities. To the extent New Mexico law permits, and unless otherwise specifically prohibited in the Governing Documents, the Association may send notices by electronic means, hold Board or Association meetings and permit attendance and voting by electronic means, and send and collect assessment and other invoices by electronic means.

I think there is a world market for maybe five computers.
Thomas Watson, Chairman of IBM, 1943

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
44 of 121
12/23/2004 08:43:18 AM



P O S A

Chapter 11

Association Insurance

The Association is responsible for insuring against various types of risks, including property damage, personal injury, and liability. This chapter describes the minimum types and amounts of coverage that the Association must obtain, the specific requirements for such policies, and the handling of deductibles and premiums for such insurance.

11.1. Required Coverages

The Association shall obtain and maintain in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

(a) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on

(i) the Common Area;

(ii) other portions of the Area of Common Responsibility, to the extent that the Association has responsibility for repair or replacement in the event of a casualty; and

(iii) any Service Area, to the extent specified or authorized by any applicable Supplement.

If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The limits of Association property insurance policies shall be sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes.

In addition, if a Supplement so specifies, the Association shall obtain and maintain property insurance on the insurable improvements within

a Service Area, which insurance shall comply with the above requirements.

(b) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least \$3,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies. However, if additional coverage and higher limits are available at reasonable cost that a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(c) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(d) Directors and officers liability coverage; and


(e) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-sixth of the annual Base Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation.

The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replace-

Association Insurance


ment costs in the metropolitan Rio Rancho area. In the exercise of its business judgment, the Board may obtain additional insurance coverage and higher limits than this Section requires.

11.2. Deductibles

 Persons who cause damage to insured improvements can be charged for the insurance deductible amount by the Board. This ensures that the Association need not pay for such damages.

The Association's policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 11.1. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Service Area Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Units as a Specific Assessment.

11.3. Policy Requirements

 Subrogation is a legal concept which means the substitution of one person in the place of another with respect to a certain lawful claim, demand, or right so that the person who is substituted stands in the place and receives the rights of the other person in relation to the claim, demand, or right. For example, insurance companies generally have the right to step into the shoes of the party whom they compensate and sue any party whom the compensated party could have sued.

All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Owner.

To the extent available at reasonable cost and terms, all Association insurance shall:

- (a) be written with a company authorized to do business in New Mexico which satisfies the requirements of the Federal National Mortgage Association or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;
- (b) be written in the name of the Association as trustee for the benefited parties. All policies shall be for the benefit of the Association and its members, except that policies on Limited Common Area shall be for the benefit of the Owners of Units within the Service Area to which the Limited Common Area is assigned and their Mortgagees, as their interests may appear;
- (c) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;
- (d) contain an inflation guard endorsement;
- (e) include an agreed amount endorsement if the policy contains a co-insurance clause;
- (f) provide that each Owner is an insured person with respect to liability arising out of such Owner's status as a member of the Association;
- (g) provide a waiver of subrogation against any Owner or household member of an Owner; and
- (h) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any act or omission of one or more Owners, unless acting on the Association's behalf within the scope of their authority, or on account of any curable defect or violation, without prior written demand

Association Insurance

to the Association and allowance of a reasonable time to cure the defect or violation.

In addition, the Board shall use reasonable efforts to secure insurance policies that list the Owners as additional insureds and provide:

(a) a waiver of subrogation as to any claims against the Association's directors, officers, employees, and manager;

(b) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

(c) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(d) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(e) a cross liability provision; and

(f) a provision vesting in the Board exclusive authority to adjust losses. However, Mortgagees having an interest in such losses may not be precluded from participating in the settlement negotiations, if any, related to the loss.

11.4. Insurance Premiums

Premiums for all Association insurance shall be a Common Expense, except that premiums for property insurance on Units within, or Limited Common Areas assigned to, a particular Service Area shall be a Service Area Expense, unless the Board reasonably determines that other treatment of the premiums is more appropriate.

NOTES AND THOUGHTS

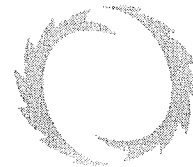
SANDOVAL COUNTY

200441052

Book- 407 Page- 41052

47 of 121

12/23/2004 08:43:18 AM



P O S A

Chapter 12

Association Finances

This chapter provides for various types of funding to cover expenses that the Association incurs or expects to incur in exercising its authority and performing its responsibilities under the Governing Documents. The primary source of funding is the assessments which this chapter authorizes the Association to levy against the Units and collect from the Owner of each Unit. Assessments are secured by a lien on each Unit as described in this chapter.

12.1. Association Expenses

(a) Common Expenses. Except as the Governing Documents otherwise specifically provide, all of the expenses that the Association incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Area of Common Responsibility, and otherwise for the general benefit of the Owners, are considered "**Common Expenses.**" Common Expenses include such operating reserves and reserves for repair and replacement of capital items within the Area of Common Responsibility as the Board finds necessary or appropriate.

Common Expenses shall not include any expenses incurred during the Founder Control Period for initial development or original construction costs unless Voting Delegates (other than Founder appointees) representing a majority of the total vote in the Association approve such expenditure. Payments due under leases of capital improvements shall not be considered an initial development or original construction cost.

The characterization of a particular expense as a "Common Expense" shall not preclude the Association from seeking reimbursement for, or a contribution toward, such expenses from other Persons who may be responsible for the expenses incurred or for sharing such expenses pursuant to

this Charter, any Supplement, or any other recorded covenants or agreements.

(b) Service Area Expenses. All expenses that the Association incurs or expects to incur in connection with the ownership, maintenance and operation of Limited Common Areas, or in providing other benefits and services to a Service Area, including any operating reserve or reserve for repair and replacement of capital items maintained for the benefit of the Service Area, are considered "**Service Area Expenses.**" Service Area Expenses may include a reasonable administrative charge in such amount as the Board deems appropriate, provided that any such administrative charge is applied at a uniform rate per Unit among all Service Areas receiving the same service.

(c) Assembly Expenses. The Association shall collect from each Unit Owner such Unit Owner's proportionate share of the Assembly's annual expenses allocated pursuant to the Community Covenant.

12.2. Budgeting for and Allocating Association Expenses.

(a) Preparation of Budget. At least 90 days before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses for the coming year. In addition, the Board shall prepare a separate budget for each Service Area reflecting the estimated Service Area Expenses that the Association expects to incur for the benefit of such Service Area in the coming year.

The estimated expenses in each budget shall include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and replacement of any capital items to be

Association Finances

maintained as a Common Expense or as a Service Area Expense of the Service Area for which the budget is prepared, as applicable. In determining the amount of such reserve contribution, the Board shall take into account the number and nature of replaceable assets, the expected useful life of each, the expected repair or replacement cost, and the contribution required to fund the projected needs by annual contributions over the useful life of the asset.

In addition, each budget shall also include contributions to the Assembly as a line item.

Each budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Units (including amounts to which the Association is entitled pursuant to any covenant or agreement to share costs), and the amount to be generated through the levy of Base Assessments and Service Area Assessments pursuant to subsections (b) and (c).

(b) Calculation of Base Assessments. The total budgeted Common Expenses and any income anticipated from sources other than assessments against the Units, shall be allocated equally among all Units subject to assessment under Section 12.6 and levied as a "**Base Assessment**."

The Founder may, but shall not be obligated to, reduce the Base Assessment for any fiscal year by payment of a shortfall (in addition to any amounts paid by the Founder under Section 12.6(b)). Any such shortfall payment may be treated as a contribution, an advance against future assessments due from the Founder, or a loan, in the Founder's discretion. Any such subsidy and the characterization thereof shall be conspicuously disclosed as a line item in the income portion of the budget. Payment of such subsidy in any year shall not obligate the Founder to continue payment of such subsidy in future years

unless otherwise provided in a written agreement between the Association and the Founder.

(c) Calculation of Service Area Assessments. The total Service Area Expenses budgeted for each Service Area shall be allocated among all Units in the Service Area that are subject to assessment under Section 12.4 and levied as a "**Service Area Assessment**." Unless otherwise specified in any Supplement applicable to a Service Area, Service Area Assessments shall be set at a uniform rate per Unit in the Service Area, except that any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures may be levied on each of the benefited Units in proportion to the benefit received, as the Board may reasonably determine.

All amounts the Association collects as Service Area Assessments shall be held for and expended solely for the benefit of the Service Area for which they were collected and shall be accounted for separately from the Association's general funds.

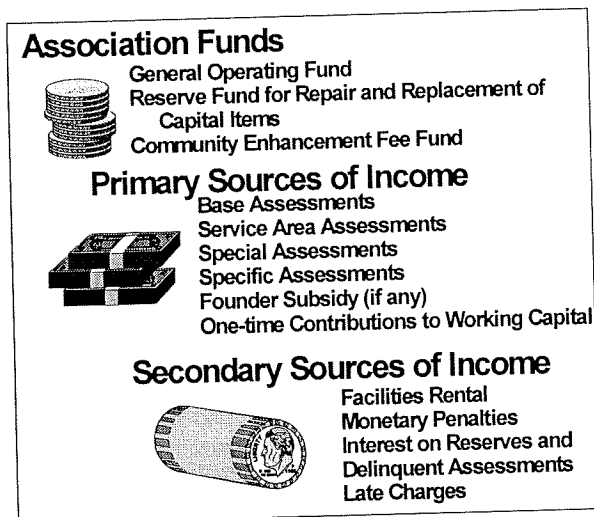
(d) Notice of Budget and Assessment; Right to Disapprove. The Board shall send a copy of each applicable budget, together with notice of the amount of the Base Assessment and any Service Area Assessment to be levied pursuant to such budgets, to each Owner at least 30 days prior to the due date of the assessments to be levied pursuant to such budget. The Common Expense budget shall automatically become effective unless disapproved at a meeting by Voting Delegates representing at least 75% of the total votes in the Association and by the Founder Member, if such exists. Each Service Area budget shall automatically become effective unless disapproved at a meeting by Owners of at least 67% of the Units within the Service Area, except that the right to disapprove a Service Area budget shall apply only to those line items which are attributable to services or benefits requested by the Service Area and shall not apply to any

Association Finances

item which the Governing Documents require to be assessed as a Service Area Expense.

There shall be no obligation to call a meeting for the purpose of considering any budget except, in the case of the Common Expense budget, on petition of the Voting Delegates as provided for special meetings in the By-Laws, and in the case of a Service Area budget, on petition of Owners of at least 2/3 of the Units within the Service Area. Any such petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect, increased by 10%, shall continue in effect until a new budget is determined.



(e) **Budget Revisions.** The Board may revise the budget and adjust the Base Assessment or Service Area Assessments anytime during the year, subject to the same notice requirements and rights to disapprove set forth in subsection (d) above.

12.3. Special Assessments

The Association may levy "Special Assessments" to cover Common Expenses or Service Area Expenses that are non-routine, unanti-

ipated, or in excess of those anticipated in the applicable budget. Except as otherwise specifically provided in this Charter, any Special Assessment for Common Expenses shall require the affirmative vote or written consent of Voting Delegates representing more than 50% of the votes attributable to Units subject to assessment under Section 12.6 and shall be allocated equally among all such Units. Any Special Assessment for Service Area Expenses shall require the affirmative vote or written consent of Owners representing more than 50% of the total votes allocated to Units in the benefited Service Area and shall be allocated in the same manner as Service Area Assessments under Section 12.1(c). In addition, as long as the Founder membership exists, any Special Assessment shall also be subject to the Founder's written consent. Special Assessments shall be payable in such manner and at such times as the Board determines and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

12.4. Specific Assessments

The Association may levy **Specific Assessments** against a particular Unit as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to the Unit upon request of the Owner pursuant to any menu of optional services which the Association may offer (which might include the items identified in Section 10.1). Specific Assessments for optional services may be levied in advance of the provision of the requested service;

(b) to cover costs incurred in bringing the Unit into compliance with the Governing Documents or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b); and

Association Finances

(c) to cover the Unit's pro rata share of any costs that the Association incurs in bringing the Neighborhood of which the Unit is a part into compliance with the provisions of the Governing Documents; however, the Board must give prior written notice to the Owners of Units in the Neighborhood and an opportunity for such Owners to be heard before levying any such assessment.

12.5. Authority to Assess Owners; Time of Payment

The Founder hereby establishes and the Association is hereby authorized to levy assessments as provided for in this Chapter and elsewhere in the Governing Documents. The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) on the date of conveyance of a Unit to a Person other than the Founder or its successors or assigns; or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Chapter, whichever is later. The first annual Base Assessment and Service Area Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require the outstanding balance on all assessments to be paid in full immediately.

12.6. Obligation for Assessments



By buying a Unit in Mariposa each Owner agrees to pay all assessments levied against his or her Unit. If the Owner does not pay on time, that Owner will be charged late fees on all past due amounts. Owners may not claim a reduction in their assessments due to action or inaction by the Association.

In some instances, the Founder may choose to pay the difference between the Association's budgeted and actual expenses, rather than paying assessments on the Units it owns. The Founder is free to do so only during the Founder Control Period.

(a) *Personal Obligation.* By accepting a deed or entering into a recorded contract to purchase any Unit, each Owner covenants and agrees to pay all assessments authorized in the Governing Documents and the Community Covenant. All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of New Mexico law), late charges as determined by Board resolution, costs, and reasonable attorneys fees, shall be the personal obligation of each Owner and a lien upon each Unit until paid in full. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments and Service Area Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfall.

Association Finances

No Owner may exempt himself or herself from liability for assessments by non-use of Common Area, abandonment of his or her Unit, or non-use of services provided to all Units or to all Units within the Service Area to which the Unit is assigned. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.


Upon written request, the Association shall furnish to any Owner liable for any type of assessment a certificate signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Founder's Financial Obligations to Association. The Founder shall be liable for assessments on any Units it owns that are subject to assessment under this Section, except that during the Founder Control Period, the Founder may satisfy its obligation to pay Base Assessments and Special Assessments for Common Expenses on Units it owns either by paying such assessments in the same manner as any other Owner, or by paying (i) any shortfall under the Common Expense budget resulting from events other than failure of other Owners to pay their assessments, and (ii) any budgeted contributions to reserves and the Assembly in accordance with the Common Expense budget. Unless the Founder otherwise notifies the Board in writing at least 60 days before the beginning of each fiscal year, the Founder shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. After termination of the Founder Control Period, the Founder shall pay Base Assessments on any Units it owns

that are subject to assessment under Section 12.6 in the same manner as any other Owner liable for such assessments.

Regardless of the Founder's election under this Section, any of the Founder's financial obligations to the Association may be satisfied in the form of cash or by "in kind" contributions of services, or materials or by a combination of these.

12.7. Lien for Assessments

 In order to insure that each Owner pays assessments, the Association has a lien against the Units when assessments are not paid in a timely fashion. This means that if an Owner does not pay his or her assessments on time, the Association could foreclose the lien, thus causing the Owner's Unit to be sold to pay the past due assessments. Alternatively, the Association may sue an Owner in court to recover past due assessments.

(a) Existence of Lien. The Association shall have a lien against each Unit to secure payment of assessments as well as interest, late charges (subject to the limitations of New Mexico law), and costs of collection (including attorneys fees and expenses). Such lien shall be superior to all other liens, except (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (ii) the lien or charge of any recorded Mortgage made in good faith and for value having first priority over any other Mortgages on the Unit. The Association may enforce such lien, when delinquent, by suit, judgment and/or foreclosure.

Although no further action is required to create or perfect the lien, the Association may, as further evidence and notice of the lien, execute and record a document setting forth as to any Unit the amount of the delinquent sums due the Association at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the

Association Finances

Association to execute and record any such document shall not affect the validity, enforceability, or priority of the lien.

(b) *Enforcement of Lien.* The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no assessment shall be levied on it; and (iii) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same, in addition to pursuing any and all remedies allowed by law to enforce the lien.

(c) *Effect of Sale or Transfer.* Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Unit shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 12.6, including such acquirer and its successors and assigns.

12.8. Exempt Property

The following property shall be exempt from payment of Base Assessments, Service Area Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by the Founder as are included in the Area of Common Responsibility;

(b) Any property dedicated to and accepted by any governmental authority or public utility; and

(c) Property owned by any Neighborhood Association for the common use and enjoyment of its members or owned by the members of a Neighborhood Association as tenants-in-common.

In addition, the Association may, by resolution, grant exemptions to certain Persons qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Charter for purposes listed in Section 501(c) of the Internal Revenue Code.

12.9. Capitalization of Association

The first Owner of each Unit other than the Founder or a Builder designated by the Founder shall make a contribution to the working capital of the Association in an amount equal to one-sixth of the annual Base Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual Base Assessment and any Service Area Assessment levied on the Unit and shall not be considered an advance payment of such assessments. This amount shall be due and payable to the Association immediately upon transfer of title for its use in covering initial start-up expenses, operating expenses, and other expenses that it incurs pursuant to this Charter and the By-Laws.

12.10. Use and Consumption Fees

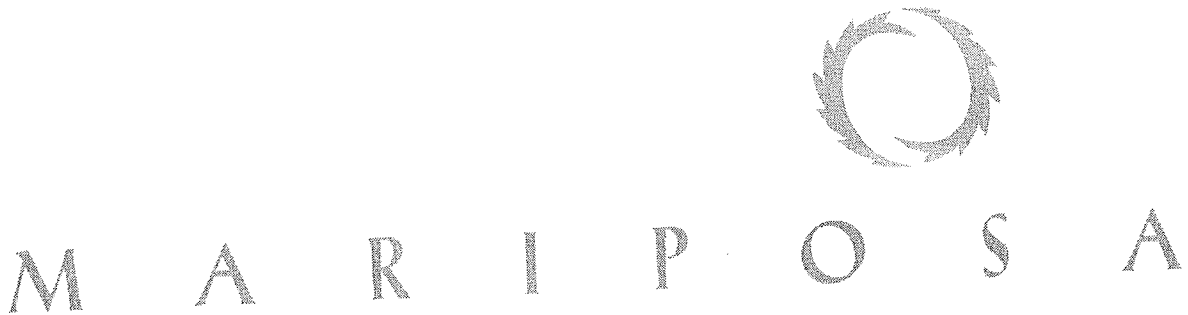
The Board may charge use and consumption fees to any Person using Association services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners).

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
53 of 121
12/23/2004 08:43:18 AM

PART FOUR: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

You don't get harmony when everybody sings the same note.

Doug Floyd



Chapter 13

Easements

The easements created in this chapter establish the rights of Owners to use the Common Area and create various rights for the benefit of owners, the Founder, the Association, and others over property within the Community. Some of these rights are related to development and construction within the Community and on adjacent property, while others relate to the rights of the Association to come upon property of others to fulfill its responsibilities and the interrelationships between the Community and the owners of adjacent property.

13.1. Easements in Common Area



An easement is one person's right to go onto the property of another.

The Founder grants to each Owner a non-exclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

(a) The Governing Documents and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The Board's right to:

(i) adopt rules regulating Common Area use and enjoyment, including rules limiting the number of guests who may use the Common Area, and to charge use fees for such use;

(ii) suspend an Owner's right to use Common Area facilities;

(iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Charter;

(iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(v) rent any portion of any clubhouse or other Common Area recreational facilities on an exclusive or non-exclusive short-term basis to any Person;

(vi) permit use of any recreational facilities situated on the Common Area by the general public, which use may be subject to admission charges, membership fees, or other user fees established in the Board's discretion; and

(vii) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(d) Certain Owners' rights to the exclusive use of those portions of the Common Area designated "Limited Common Area," subject to easements for cross-drainage described in Section 13.8.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit for the period of the lease.

13.2. Easements of Encroachment



An encroachment occurs when a person's home, fence, or structure of any kind is placed on his or her neighbor's property. This section provides that minor, inadvertent encroachments are permitted.

Easements

The Founder grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units. A permitted encroachment is a structure or fixture that extends unintentionally from one person's property onto another's a distance of less than one foot, as measured from any point on the common boundary along a line perpendicular to such boundary. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

13.3. Easements for Utilities and Other Infrastructure

(a) *Installation and Maintenance.* During the Development and Sale Period, the Founder reserves for itself and grants to the Association and all utility providers, perpetual non-exclusive easements throughout Mariposa (but not through a structure) to the extent reasonably necessary to:

(i) install utilities and infrastructure to serve Mariposa, other Community Systems, security and similar systems, and drainage systems;

(ii) install walkways, pathways and trails; street lights; and signage on property the Founder or the Association owns or within public rights-of-way or easements reserved for such purpose on a recorded plat or separate document;

(iii) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; and

(iv) access and read utility meters.

Notwithstanding the above, the Founder reserves the right to deny access to any utility or

service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) *Specific Easements.* The Founder also reserves for itself the non-exclusive right and power to grant and record such specific easements as it deems necessary to develop the property described in Exhibits "A" and "B." The location of the easement shall be subject to the written approval of the burdened property Owner, which approval shall not unreasonably be withheld, delayed, or conditioned.



Before the Founder can grant a new right to enter property, if someone else owns that property, the Founder must get that Owner's permission.

(c) *Minimal Interference.* All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed so as to minimize interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

13.4. Easements to Serve Additional Property


The Founder hereby reserves for itself and its duly authorized agents, successors, assigns, and Mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Charter. This easement includes, but is not limited to, a right of ingress and egress

Easements

over the Common Area for construction of roads and for connecting and installing utilities on such property. The Person exercising such easement rights shall be responsible for any damage caused to the Common Area as a result of their actions in connection with development of such property.

If the above easement grants permanent access to any property that is not submitted to this Charter, the Founder, or its successors or assigns, shall enter into a reasonable agreement with the Association to share the cost of maintenance that the Association provides for the benefit of the easement holder. The shared maintenance costs may include maintenance to or along any roadway providing access to the benefited property.

13.5. Easements for Maintenance, Emergency, and Enforcement

 The Association may come onto the exterior portions of your Unit to do maintenance or to address violations of the covenants. This Section describes the extent of the Association's right in this regard.

By this Charter, the Founder grants to the Association easements over Mariposa as necessary to enable the Association to fulfill its maintenance responsibilities under Section 6.2 and its enforcement rights under Section 8.2. The Association shall also have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, to perform maintenance, to inspect for compliance with the Governing Documents, and to enforce the Governing Documents. Any member of the Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

13.6. Easement to Inspect and Right to Correct.

Founder reserves for itself and others it may designate the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Community, including Units, and a perpetual, nonexclusive easement of access throughout the Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into a residence shall be permitted without the Owner's consent. The person exercising this easement shall promptly repair, at such person's own expense, any damage resulting from such exercise.

13.7. Easement for Installation, Maintenance, and Repair of Solar Power Equipment

Founder reserves unto itself during the Development and Sale Period and grants to the Association a perpetual easement for the purpose of access and maintenance upon, across, over, and under Mariposa to the extent reasonably necessary to install, replace, repair, and maintain photovoltaics, solar collector panels, equipment, conduits, lines, and anything else necessary for the production and generation of electricity from solar energy. The Founder and/or the Association may assign these rights to any company to provide, install, or otherwise maintain such solar power equipment.

This easement shall entitle the holders to construct or install any such solar power equipment on a Unit, including any structure situated on the Unit. Any damage to a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

Easements

NOTES AND THOUGHTS

13.8. Easement for Cross-Drainage

Every Unit and the Common Area shall be burdened with easements for drainage of storm water runoff from other portions of Mariposa; provided, however, no Person shall alter the drainage on any Unit so as to materially increase the drainage of storm water onto adjacent portions of Mariposa without the consent of the Owner of the affected property. Each Unit and the Common Area shall be burdened with such easements for drainage of storm water runoff as may be shown on plats relating to such Unit or Common Area, as applicable, recorded in the Office of the County Clerk of Sandoval County, New Mexico.

13.9. Easement for Walls or Fences

Founder reserves for itself, the Association, their employees and agents, an easement upon, over, and across each Unit affected for reasonable ingress, egress, installation, replacement, maintenance, and repair of perimeter walls, fences, or other boundary controls. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into a residence shall be permitted without the Owner's consent.



M A R I P O S A

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
58 of 121
12/23/2004 08:43:18 AM

Chapter 14

Environment and Transportation

Mariposa intends to be a model community committed to preserving the integrity of the environment and the natural beauty of the land. In addition to the sustainable development methods discussed in the Guidelines for Sustainability, environmental conservation measures will be an integral part of Mariposa's quality of life standards. The Founder has made environmental preservation of Mariposa its first priority; each Owner is encouraged to do the same. The Founder is also committed to providing transportation opportunities at Mariposa.

14.1. Water Conservation

Water conservation is essential to Mariposa's development and standard of living. Founder desires to create opportunities to maximize the efficient use of Mariposa's water supply, such as using treated effluent for common landscape irrigation. The Guidelines for Sustainability shall address water conservation standards and techniques.

14.2. Open Space and Natural Arroyos

Mariposa's open space network will be one of the community's signature characteristics. Founder may designate approximately 3,700 acres as open space and park area for owners and visitors to enjoy. Natural Arroyos are indigenous to the high desert and essential to preservation of natural land forms. The arroyos will provide natural boundaries and a framework for Mariposa's open space network and trails. Owners, Occupants, and visitors of Mariposa shall not disturb the natural arroyos.

Additionally, most of the natural arroyos within Mariposa are being preserved as natural amenities. The natural arroyos provide a unique setting of natural land forms and associated natural vegetation consisting of native plant riparian communities. From an environmental perspec-

ive, the preservation of natural arroyos allows for the retention of natural plant communities, the resulting wildlife habitat and corridors, open space, and natural land forms.

14.3. Community Recycling Programs

The Founder may establish a recycling program and recycling center, and, in such event, the Association shall maintain such recycling program and center. All Owners and occupants of property within Mariposa shall support such program by recycling, to the extent reasonably practical, all materials which the recycling program or center is set up to accommodate. The Association may, but shall have no obligation to, purchase recyclable materials in order to encourage participation, and any income received as a result of such recycling efforts shall be used to defray the costs of new programs.

14.4. Transportation System

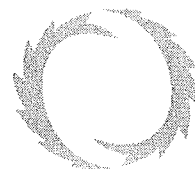
(a) *Responsibility and Authority.* Founder may, but is not required to, establish and implement programs, services, and activities designed to address transportation issues within Mariposa and work in conjunction with the local and state government to address transportation issues for the region. Such authority may include, but need not be limited to, a public transit system which includes (i) a transit station; (ii) connections with public transportation systems serving points outside Mariposa; (iii) use of alternative fuel vehicles; and (iv) organizing and promoting such activities as van pools, ridesharing, and the use of bicycle and pedestrian trails and paths (hereafter generally referred to as the "Transportation System"). The Founder may establish committees, create subsidiary entities, or contract with third parties for the operation and administration of

Environment and Transportation

the Transportation System. The Association shall assume such authority after the expiration of the Control Period or as such authority is delegated by the Founder.

(b) *Funding of Operation and Maintenance.* The Transportation System will be available to all Owners, and the costs of operating and maintaining the Transportation System may be funded by the imposition of user fees for the use of any component, other than bicycle and pedestrian trails or paths, of the Transportation System; by payments from Mariposa's governmental entities; and by grants and contributions. The Founder and the Assembly may seek subsidies or contributions from private or public sources to reduce costs. The Founder, or its assigns shall be authorized to enter into commercially reasonable agreements with any Person to operate all or any portion of the Transportation System on a commercial basis throughout Mariposa.

NOTES AND THOUGHTS



M A R I P O S A

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
60 of 121
12/23/2004 08:43:18 AM

Chapter 15 Disclosures and Waivers

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
61 of 121
12/23/2004 08:43:18 AM

This chapter discloses some important information about the Community for the benefit of prospective purchasers of property in the Community. Each Owner, by accepting a deed to property in the Community, also accepts and agrees to the matters set forth in this chapter.

15.1. Facilities and Services Open to the Public

Certain facilities and areas within Mariposa may be open for use and enjoyment of the public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, parks, and other neighborhood spots conducive to gathering and interaction, roads, sidewalks, and medians. Additional designated sites may include fire, police, utility facilities, public schools, a library, and other public facilities. The Founder may designate such facilities and areas as open to the public at the time the Founder makes them a part of the Area of Common Responsibility, or the Board may so designate at any time thereafter.

15.2. Safety and Security

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in Mariposa. The Association may, but shall not be obligated to, maintain or support certain activities within Mariposa designed to promote or enhance the level of safety or security that each person provides for himself or herself and his or her property. However, neither the Association nor the Founder shall in any way be considered insurers or guarantors of safety or security within Mariposa, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to Mariposa, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants of its Unit that the Association, its Board and committees, and the Founder are not insurers or guarantors of security or safety and that each Person within Mariposa assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

15.3. Changes in Master Plan

Each Owner acknowledges that Mariposa is a master planned community, the development of which is likely to extend over many years, and agrees that neither the Association nor any Neighborhood Association shall engage in, or use Association funds to support, any protest, challenge, or other form of objection to (a) changes in uses or density of property within Mariposa, or (b) changes in the Master Plan as it relates to property outside Mariposa, without the Founder's prior written consent, which consent may be granted or withheld in the Founder's discretion.

15.4. View Impairment

Neither the Founder nor the Association guarantee or represent that any view over and across the Units, any open space within the Community, or natural amenity will be preserved with-

Disclosures and Waivers

out impairment. The Founder and its successors or assigns, the Association shall not be obligated to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate covenant or agreement. The Association (with respect to the Common Area) has the right to add trees and other landscaping from time to time subject to landscaping requirements set forth in the Guidelines for Sustainability, the Master Plan, and applicable law. There shall be no express or implied easements for view purposes or for the passage of light and air.

15.5. Notices and Disclaimers as to Community Systems and Services

Each Owner acknowledges that interruptions in cable television and other Community Systems and Services will occur from time to time. The Founder or any of its successors or assigns shall not be liable for, and no Community System or Service user shall be entitled to refund, rebate, discount, or offset in applicable fees for, any interruption in Community Systems and Services, regardless of whether or not such interruption is caused by reasons within the service provider's control.

15.6. Notices and Disclaimers as to Future Building Activity

Each Owner acknowledges that building activity may take place in Mariposa in the future. In the course of such building activity, sights, odors, and noises, including, but not limited to, those generated by machinery and equipment, may emanate from the property. Neither the Founder nor the Association shall not have any duty to take action to abate such sights, smells, or noise and shall not have any liability for personal injury or property damage resulting from such building activity or entry into such areas.

15.7. Northwest Loop

The Northwest Loop is a dedicated right-of-way shown on plats of the Community, including the Master Plan. The Founder makes no guarantees or representations that the Northwest Loop will remain in its present location. The Founder retains the right to move such right-of-way to another location within Mariposa.

In addition, there may be construction of a road associated with the Northwest Loop right-of-way. Neither the Founder nor the Association shall not have any duty to take action to abate such sights, smells, or noise and shall not have any liability for personal injury or property damage resulting from such construction.

NOTES AND THOUGHTS



M A R I P O S A

SANDOVAL COUNTY
200441052

Book- 407 Page- 41052
62 of 121
12/23/2004 08:43:18 AM

Chapter 16

Rights of Lenders

In order to enhance each Owner's ability to obtain financing for the purchase of his or her Unit, this chapter sets forth various provisions for the benefit of lenders who make mortgage loans and for the benefit of those agencies which guarantee and insure mortgage loans made by institutional lenders.

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in Mariposa. The provisions of this Chapter apply to both this Charter and to the By-Laws, notwithstanding any other provisions contained therein.

16.1. Notices of Action

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of Mariposa or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder; and

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Unit or the Owner or occupant which is not cured within 60 days.

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

16.2. Special FHLMC Provision

If a condominium exists within any portion of the Community, and so long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least 67% of the first Mortgagees or Voting Delegates representing at least 67% of the total votes in the Association consent, the Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (a decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of Mariposa regarding assessments for Service Areas or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Charter);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance, or maintenance of Units and the Common Area (the issuance and amendment of architectural standards, procedures, rules and

Rights of Lenders

regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) Fail to maintain insurance, as required by this Charter; or

(e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

16.3. Other Provisions for First Lien Holders

To the extent not inconsistent with New Mexico law:

(a) Any restoration or repair of Mariposa after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with this Charter and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which more than 50% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Units to which more than 50% of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

16.4. Amendments to Documents

The following provisions do not apply to amendments to the governing documents or termination of the Association as a result of destruction, damage, or condemnation pursuant to Section 16.3(a) and (b), or to the addition of land in accordance with Chapter 17. If a condominium has been established in any part of the Community, then:

(a) The consent of Voting Delegates representing at least 67% of the total votes in the Association and of the Founder, so long as it owns any land subject to this Charter, and the approval of the Eligible Holders of first Mortgages on Units to which at least 67% of the votes of Units subject to a Mortgage appertain, shall be required to terminate the Association.

(b) The consent of Voting Delegates representing at least 67% of the total votes in the Association and of the Founder, so long as it owns any land subject to this Charter, and the approval of Eligible Holders of first Mortgages on Units to which more than 50% of the votes of Units subject to a Mortgage appertain, shall be required materially to amend any provisions of the Charter, By-Laws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

(i) voting;

(ii) assessments, assessment liens, or subordination of such liens;

(iii) reserves for maintenance, repair, and replacement of the Common Area;

(iv) insurance or fidelity bonds;

(v) rights to use the Common Area;

(vi) responsibility for maintenance and repair of Mariposa;

Rights of Lenders

(vii) expansion or contraction of Mariposa or the addition, annexation, or withdrawal of Properties to or from the Association;

(viii) boundaries of any Unit;

(ix) leasing of Units;

(x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;

(xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or

(xii) any provisions included in the Governing Documents which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

16.5. No Priority

No provision of this Charter or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

16.6. Notice to Association

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

16.7. Failure of Mortgagee to Respond

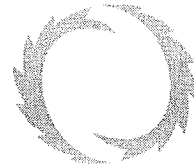
Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by

certified or registered mail, return receipt requested.

16.8. Construction of Chapter 16

Nothing contained in this Chapter shall be construed to reduce the percentage vote that must otherwise be obtained under this Charter, the By-Laws, or New Mexico law for any of the acts set out in this Chapter.

NOTES AND THOUGHTS



P O S A

SANDOVAL COUNTY
200441052

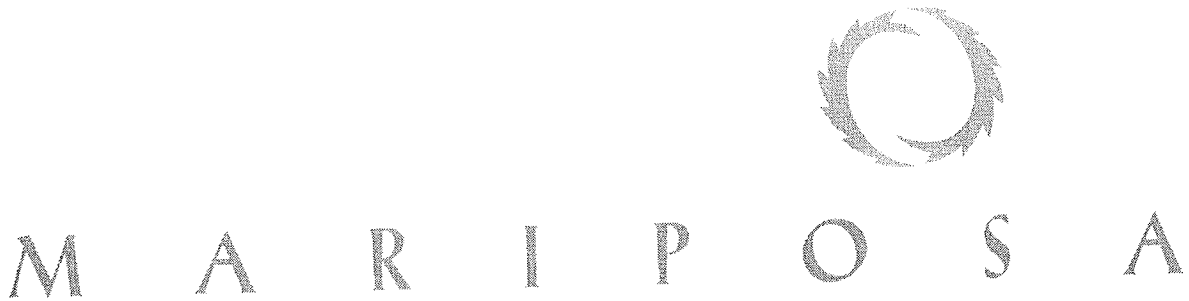
Book- 407 Page- 41052
65 of 121

12/23/2004 08:43:18 AM

PART FIVE: COMMUNITY DEVELOPMENT

The rung of a ladder was never meant to rest upon, but only to hold a man's foot long enough to enable him to put the other somewhat higher.

Thomas Henry Huxley



Chapter 17

Expansion of the Community

Due to the need to pace development to the needs of Mariposa and demand for Units or Common Areas, the initial property submitted to the Charter may be expanded by the Founder or the Association.

17.1. Expansion by Founder

From time to time, the Founder may submit to the terms of this Charter all or any portion of the property described in Exhibit "B" by recording a Supplement describing the additional property to be submitted. The Founder may record such a Supplement without the consent of any Person except the owner of such property, if not the Founder.

The Founder's right to expand Mariposa under this Section expires when all property described in Exhibit "B" has been submitted to this Charter or 50 years after this Charter is recorded, whichever is earlier. Until then, the Founder may transfer or assign this right to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any such transfer shall be described in a recorded instrument executed by the Founder.

Nothing in this Charter shall require the Founder or any successor to submit additional property to this Charter or to develop any of the property described in Exhibit "B" in any manner whatsoever.

17.2. Expansion by the Association

The Association also may submit additional property to this Charter by recording a Supplement describing the additional property. Any Supplement which the Association records must be approved by Voting Delegates representing more than 50% of the total votes in the Association at a meeting duly called for such purpose and by the owner of the property to be submitted. In

addition, during the Development and Sale Period, the Founder's consent is required. The Association's President and Secretary, the owner of the property, and the Founder, if the Founder's consent is required, shall sign the Supplement.

17.3. Additional Covenants and Easements

Any Supplement that the Founder records may impose additional covenants and easements on the property described in such Supplement, such as covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through Service Area Assessments. Such provisions may be included in a Supplement submitting new property to this Charter or may be set forth in a separate Supplement applicable to property previously submitted to this Charter. If someone other than the Founder owns the property, then the Supplement must be signed by such owner evidencing such owner's consent. Any Supplement may add to, create exceptions to, or otherwise modify the terms of this Charter as it applies to the property described in the Supplement, in order to reflect the different character and intended use of such property.

17.4. Effect of Filing Supplement

A Supplement shall be effective upon recording unless otherwise specified in the Supplement. On the effective date of the Supplement, any additional property made subject to this Charter shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Charter.

SANDOVAL COUNTY
200441052

Book- 407 Page- 41052
67 of 121

12/23/2004 08:43:18 AM

Expansion of the Community

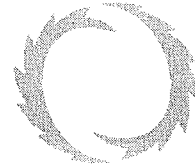
17.5. Condominium Conversions



Because apartments are commercial concerns they were not submitted to this Charter. However, if an apartment building or buildings become a residential condominium, the interests of the condominium owners will be more like the interests of those owners already subject to this Charter. For that reason, for the good of the Community, any condominium project should be submitted to the terms of this Charter, even if it was not initially designated as property that could be submitted in Exhibit "B."

In the event that any property now or hereafter made subject to a Nonresidential Charter recorded against Mariposa's non-residential components is withdrawn from such charter, the owner of such property may submit such property to the provisions of this Charter by recording a Supplement describing the property and specifically submitting it to the terms of this Charter. Such Supplement Charter shall not require the consent of the Association, but shall require the signature of an officer of the Association acknowledging it. In addition, the Founder's prior written consent shall be necessary so long as the Founder owns any property described in Exhibit "A" or "B."

NOTES AND THOUGHTS



M A R I P O S A

SANDOVAL COUNTY

200441052

Book- 407 Page- 41052

68 of 121

12/23/2004 08:43:18 AM

Chapter 18

Additional Rights Reserved to the Founder

This chapter reserves various rights to the Founder in order to facilitate the Founder's development and sale of property in the Community, to enable the Founder to respond to Owners' concerns, and to protect various property rights and other interests of the Founder.

18.1. Withdrawal of Property

During the Development and Sale Period, the Founder may amend this Charter to remove any unimproved portion of Mariposa from the coverage of this Charter, provided such withdrawal does not reduce the total number of Units then subject to the Charter by more than 10%. "Unimproved" means that no permanent structure has yet been completed on the property. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Founder. If the property is Common Area, the Association shall consent to such withdrawal.

18.2. Marketing and Sales Activities

Notwithstanding anything in the Governance Documents to the contrary, the Founder and its designees or assigns may construct, use, and maintain upon portions of the Common Area and other property they own, such facilities and activities as, in the Founder's opinion, may reasonably be required, convenient, or incidental to the construction or sale of Units. Such permitted facilities and activities shall include business offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, sales offices, holding or sponsoring special events, and exterior lighting features or displays. In addition, if reasonably required, convenient, or incidental to construction or sales activities, the Founder and its employees, agents, and designees may park vehicles only in designated areas, including

within courtyards enclosed by building frontages or in parking courts. The rights of any Founder designee or assign under this Section are subject to the Founder's approval.

18.3. Right to Develop

The Founder and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area and to the Exhibit "B" property as it deems appropriate.

In addition, during the Development and Sale Period, the Founder may replat property that it owns and convert Units it owns into Common Area.

18.4. Right to Approve Changes in Mariposa Standards

During the Development and Sale Period, no amendment to or modification of any Rules or Guidelines for Sustainability shall be effective without prior notice to and the written approval of the Founder.

18.5. Exclusive Rights to Use Name of Development

No Person shall use the name "Mariposa" or any derivative of such name or any logo or depiction associated with Mariposa in any printed or promotional material without the Founder's prior written consent. However, Owners may use the name "Mariposa" in printed or promotional matter where such term is used solely to specify that particular property is located within Mariposa,

Additional Rights Reserved to Founder


and the Association shall be entitled to use the word "Mariposa" in its name.

18.6. Community Systems

The Founder reserves for itself, its successors or assigns, the Assembly, and their respective successors and assigns, a perpetual right and easement to install and operate within Mariposa such Community Systems as the Founder, in its discretion, deems appropriate to service the buildings and the structures within any Lot or other portion of the Community. Such right shall include, without limitation, the Founder's right to select and contract with companies licensed to provide telecommunications, cable television, and other Community Systems services in the region. The Founder also has the right to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable.

Notwithstanding the above, there is no guarantee or representation that any particular Community System will be made available.

18.7. Easement to Inspect and Right to Correct



The Founder, or someone it may designate, may enter any Owner's property to inspect and correct improvements on the Unit. To do so, the Founder must give the Owner of the Unit prior notice, and if entering a dwelling or other enclosed structure on the Unit is necessary, the Owner's consent is also necessary before the Founder or its designee can enter. However, if there is an emergency, the Founder may enter without the notice or consent.

The Founder reserves for itself and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which

may exist on any portion of the property within Mariposa, including Units, and a perpetual non-exclusive easement of access throughout Mariposa to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner, and no entry into an enclosed structure shall be permitted without the Owner's consent. The person exercising this easement shall promptly repair, at such person's own expense, any damage he or she causes. Nothing in this paragraph shall relieve an Owner of the responsibility for the maintenance and repair of his or her Unit.

18.8. Right to Notice of Design or Construction Claims

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within Mariposa in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless the Founder and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the owner of the property to discuss the owner's concerns and conduct their own inspection.

18.9. Right to Transfer or Assign the Founder's Rights

Any or all of the Founder's special rights and obligations set forth in this Charter or the By-Laws may be transferred in whole or in part to other Persons. However, such a transfer shall not reduce an obligation or enlarge a right beyond that which Founder has under this Charter or the By-Laws. No such transfer or assignment shall be effective unless it is in a recorded instrument the Founder signs. The foregoing sentence shall not preclude the Founder from permitting other Persons to exercise, on a one-time or limited basis, any right reserved to the Founder in this Charter where the Founder does not intend to transfer such right in its entirety. In such case,

Additional Rights Reserved to Founder

it shall not be necessary to record any written assignment unless necessary to evidence the Founder's consent to such exercise.

18.10. Rights to Stormwater Runoff and Water Reclamation.

The Founder reserves for itself and its designees, the right to all rain water, surface water, and storm water runoff over the Community; and each Owner agrees, by acceptance of a deed to a Unit, that the Founder and its designees shall retain all such rights. Such right shall include an easement over Mariposa for access and for installation and maintenance of facilities and equipment to capture and transport such water and runoff. No Person other than the Founder and its designees shall claim, capture, or collect rain water, surface water, or storm water runoff within Mariposa without the prior written consent of the Founder or its designees.

The Founder or its designees may establish programs for reclamation of storm water runoff and waste water for appropriate uses within or outside the Community and may require Owners and occupants of Units to participate in such programs to the extent reasonably practical. No Owner or occupant of a Unit shall have any right to be compensated for water claimed or reclaimed from his or her Unit. The Board shall have the right to establish restrictions on or prohibit outside use of potable water within the Community.

18.11. Founder's Right to Obtain Water Use Information.

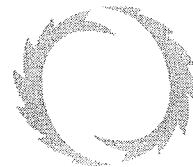
The Founder has the right to obtain water use information relating to Mariposa from any public or private entity during the Control Period. Upon the expiration of the Control Period, the Association, in cooperation with the Assembly, shall obtain and monitor Mariposa's water use and consumption. Such information shall be used to regulate Mariposa's water conservation initiatives.

18.12. Termination of Rights

The rights contained in this Chapter shall be perpetual unless otherwise limited to the Development and Sale Period. The Founder may voluntarily terminate any of its rights by recording a written statement specifying such intent to terminate.

The very essence of leadership is that you have to have a vision. Theodore Hesburgh

NOTES AND THOUGHTS



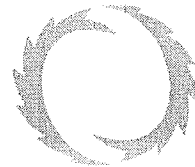
M A R I P O S A

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
71 of 121
12/23/2004 08:43:18 AM

PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN ACTIONS

There are many ways of going forward, but only one way of standing still.

Franklin D. Roosevelt



M A R I P O S A

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
72 of 121
12/23/2004 08:43:18 AM

Chapter 19

Dispute Resolution and Limitation on Litigation

From time to time, disputes may arise between owners or between an owner and the Association, the Founder, or others involved in the Community. This chapter establishes the commitment of the parties to any such dispute to work together in an attempt to resolve the dispute without litigation in order to facilitate the prompt resolution of such disputes in a manner that respects and builds upon the relationships between the parties. It also requires substantial support of the Association's membership before the Association can engage in certain types of litigation that could result in significant legal and emotional costs to the Community.

19.1. Agreement to Encourage Resolution of Disputes Without Litigation

(a) Bound Parties. The Founder, the Association and its officers, directors, and committee members, all Persons subject to this Charter, and any Person not otherwise subject to this Charter who agrees to submit to this Chapter (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Community without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection (b), unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in Section 19.2 in a good faith effort to resolve such Claim.

(b) Claims. As used in this Chapter, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Governing Documents; or

(iii) the design or construction of improvements within the Community, other than matters of aesthetic judgment or sustainability under Chapter 5, which shall not be subject to review.

(c) Exceptions. The following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 19.2:

(i) any suit by the Association to collect assessments or other amounts due from any Owner;

(ii) any suit by the Association to obtain a temporary restraining order or injunctive relief and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of Part Two of this Charter (relating to creation and maintenance of community standards);

(iii) any suit that does not include the Founder or the Association as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(iv) any dispute which affects the material rights or obligations of a party who is not a Bound Party and has not agreed to submit to the procedures set forth in Section 19.2; and

(v) any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by Section 19.2(a), unless the party or parties against whom the Claim is made agree to toll, or extend, the Claim's statute of limitations to comply with this Chapter.

SANDOVAL COUNTY
200441052

Book- 407 Page- 41052
73 of 121

12/23/2004 08:43:18 AM

Dispute Resolution and Limitation on Litigation

19.2. Dispute Resolution Procedures

(a) *Notice.* The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent and to the Board, stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) the legal basis of the Claim (*i.e.*, the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(b) *Negotiation.* The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) *Mediation.* If the parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within such other agreed upon period), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Rio Rancho area. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

If the parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Bound Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall pay an equal share of the mediator's fees.

(d) *Settlement.* Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in this Section. In such event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys fees, and court costs.

SANDOVAL COUNTY

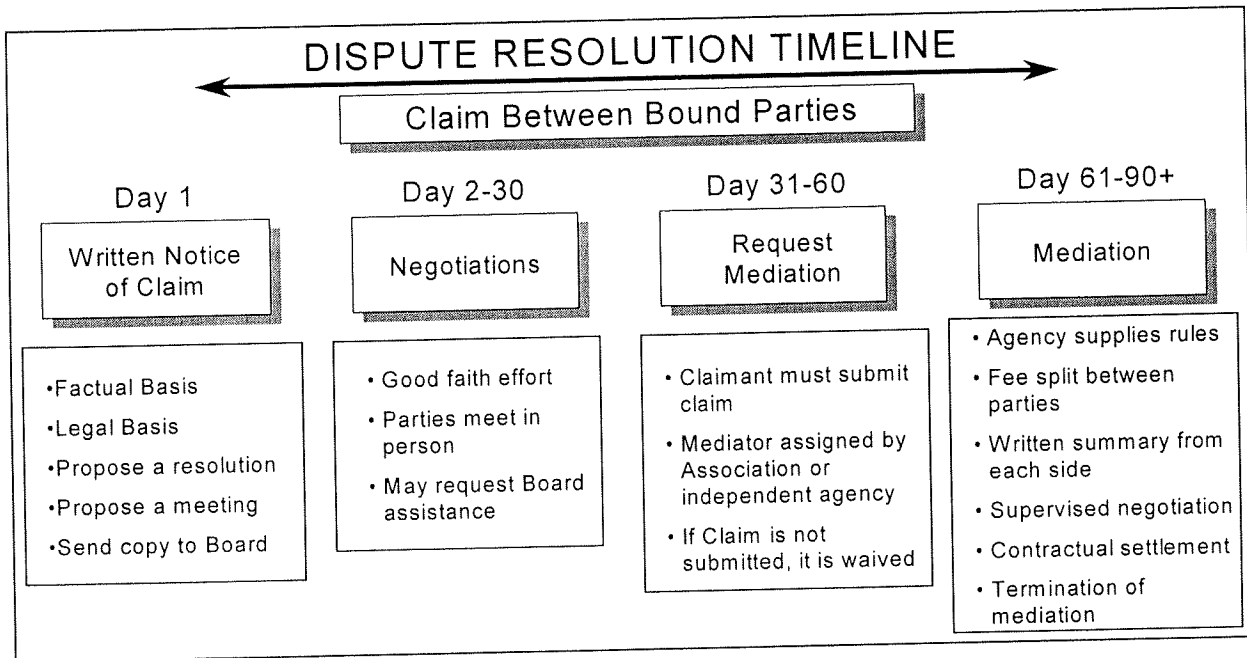
200441052

Book- 407 Page- 41052

74 of 121

12/23/2004 08:43:18 AM

Dispute Resolution and Limitation on Litigation



19.3. Initiation of Litigation by Association

In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by a vote of Voting Delegates entitled to cast 75% of the total votes in the Association, except that no such approval shall be required for actions or proceedings:

- (a) initiated during the Founder Control Period;
- (b) initiated to enforce the provisions of this Charter, including collection of assessments and foreclosure of liens;
- (c) initiated to challenge *ad valorem* taxation or condemnation proceedings;
- (d) initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or

(e) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section shall not be amended unless such amendment is approved by the same percentage of votes necessary to institute proceedings.

Problems cannot be solved at the same level of awareness that created them. Albert Einstein

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
75 of 121
12/23/2004 08:43:18 AM

Chapter 20

Changes in the Common Area


Various influences and circumstance within and outside the Community may give rise to a need or desire to make changes in the ownership of or rights to use Common Area. This chapter explains the procedures for dealing with matters such as changing use rights in Common Area or Limited Common Area, partition of the Common Area, and condemnation.

20.1. Assignment and Reassignment of Limited Common Area

The Board may designate a portion of the Common Area as Limited Common Area, and may reassign Limited Common Area, upon approval of the Board and the vote of Voting Delegates representing a majority of the total votes in the Association, including a majority of the votes attributable to Units to which the Limited Common Area is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment shall also require the Founder's written consent.

Upon approval of a majority of Owners of Units to which any Limited Common Area is assigned, the Association may permit Owners of other Units to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Service Area Expenses attributable to such Limited Common Area.

20.2. Condemnation

 A public entity such as a town, county, or state has the power to condemn property for its own uses and generally has to pay the value of the property to do so.


If any part of the Common Area is taken by any authority having the power of condemnation or eminent domain or conveyed by the Associa-

tion in lieu of and under threat of condemnation with such approval as may be required under Section 20.4, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking the Founder, during the Development and Sale Period, and Voting Delegates representing at least 75% of the total votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 9.4 regarding funds for restoring improvements shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as proceeds from the sale of Common Area under Section 20.4.

20.3. Partition

 Partition is a legal action in which a party requests to have a portion of one interest in property split off so that the party can possess that portion or interest separately from other parties who have rights in the property.

Changes in the Common Area

Except as permitted in this Charter, the Common Area shall remain undivided, and no Person shall bring any action to partition any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Charter, with such approval as may be required under Section 20.4.

20.4. Transfer or Dedication of Common Area

The Association may dedicate portions of the Common Area to Sandoval County, New Mexico, the City of Rio Rancho, or to any other local, state, or federal governmental or quasi-governmental entity, may subject Common Area to a security interest, or may transfer or convey Common Area as follows:

(a) if Common Area other than Limited Common Area, upon the written direction of Voting Delegates representing at least 75% of the total votes in the Association and the Founder during the Development and Sale Period; or

(b) if Limited Common Area, upon written approval of Owners of at least 75% of the Units to which such Limited Common Area is assigned.

The proceeds from the sale or mortgaging of Common Area other than Limited Common Area shall be an asset of the Association to be used as the Board determines. The proceeds from the sale or mortgaging of Limited Common Area shall be disbursed in the manner approved by the Owners of Units to which the Limited Common Area is assigned at the time such sale or mortgage is authorized.

No conveyance or encumbrance of Common Area may deprive any Unit of rights of access or support.

20.5. Public Gardens and Common Area

The Board may establish gardens within the Common Area or designate spaces within the Common Area for the establishment of gardens to promote public awareness of and participation in conservation, management, and enhancement of native vegetation, soils, and geology and may establish programs to promote an understanding of the natural desert landscape and environment.

20.6. Additional Covenants and Restrictions

During the Development and Sale Period, no one other than the Founder may record any additional covenants or restrictions affecting any portion of the Community without the Founder's written consent. Thereafter, the Board must consent. Any instrument recorded without the required consent shall be void and of no force and effect.

Anyone who has never made a mistake has never tried anything new. Albert Einstein

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
77 of 121
12/23/2004 08:43:18 AM

Chapter 21

Amendment of Community Charter

As the Community matures and grows, the rules by which it is governed must be flexible enough to adapt to changes in the development plan as well as to changes in the needs and desires of the Community that inevitably will occur. This chapter sets out procedures by which either the Founder or the Owners as a group may amend this Charter to address such changes.

21.1. By the Founder

In addition to specific amendment rights granted elsewhere in this Charter, until conveyance of the first Unit to a Person other than a Builder, the Founder may unilaterally amend this Charter for any purpose.

Thereafter, the Founder may unilaterally amend this Charter if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units; or (d) to satisfy the requirements of any local, state, or federal governmental agency. However, any amendment under this paragraph shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

In addition, during the Development and Sale Period, the Founder may unilaterally amend this Charter for any other purpose, provided the amendment has no material adverse effect upon the rights of more than 2% of the Owners.

21.2. By Owners

Except as otherwise specifically provided above and elsewhere in this Charter, this Charter may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Delegates representing 75% of the total votes in the Association, including 75% of the total votes held by Owners other than the Founder. In addition, during the Development and Sale Period, any such amendment shall also require the Founder's written consent.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

21.3. Validity and Effective Date

No amendment may remove, revoke, or modify any right or privilege of the Founder or the Founder Member without the written consent of the Founder or the Founder Member, respectively (or the assignee of such right or privilege). In addition, the approval requirements set forth in Chapter 16 shall be met, if applicable.

If an Owner consents to any amendment to this Charter or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be

Amendment of Community Charter

presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Charter.

21.4. Exhibits

Exhibits "A" and "B" are incorporated by this reference, and this Chapter shall govern amendment of those exhibits. Exhibit "C" is incorporated by this reference and may be amended under Chapter 7 or pursuant to Sections 21.1 and 21.2. All other exhibits are attached for informational purposes and may be amended as provided in those exhibits or in the provisions of this Charter, which refer to such exhibits.

*Don't ever take a fence down until you know
why it was put up. Robert Frost*

NOTES AND THOUGHTS

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
79 of 121
12/23/2004 08:43:18 AM



M A R I P O S A

THIS COMMUNITY CHARTER is made this 17 day of December, 2004, by High Desert Investment Corporation, a New Mexico corporation ("Founder"). In witness whereof, the undersigned Founder has executed this Charter the date and year first written above.

By: Douglas H. Collister
Name: Douglas H. Collister
Title: President

By: Robert L. Bouvrette
Name: Robert L. Bouvrette
Title: Secretary

State of New Mexico)
) ss
County of SANDOVAL)

This instrument was acknowledged before me on 12/17/04 by ROBERT BOUVRETTE [Secretary] and DOUGLAS COLLISTER [President] of High Desert Investment Corporation

[SEAL]

Laura J. [Signature]
Notary Public
My Commission Expires: 11/18/06

5266.01/Mariposa Community Charter/Final/121504/kas-wsh
H:\Highdes-Mariposa\governance documents\Charter-Mariposa-FINAL FOR RECORDING-121504-kas-wsh.doc

M A R I P O S A

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
80 of 121
12/23/2004 08:43:18 AM

INDEX TO DEFINED TERMS

Approval, 4
Area of Common Responsibility, 11
Articles of Incorporation, 3
Assembly, 9
Assembly Board, 9
Association, 1
Base Assessment, 43
Board, 7
Builders, 8
By-Laws, 3
Charter, 1
Common Area, 11
Common Expenses, 42
Community, 1
Community Charter, 1
Community Covenant, 9
Community-Wide Standard, 5
Compliance Deposit, 19
Consent, 4
Development and Sale Period, 7
Discretion, 4
Election Districts, 12
Founder, 1
Founder Control Period, 7
Founder Membership, 14
Governing Documents, 3
Guidelines for Sustainability, 17
Improvements, 17
Lease and Leasing, 26
Maintenance, 5
Master Plan, 7
Mortgage, 9
Mortgagee, 9
Neighborhood Association, 9
Neighborhoods, 12
Notice, 4
Owner, 8
Owner Membership, 14
Person, 4
Recorded, 5
Reviewer, 19
Rules, 3
Service Area Assessment, 43
Service Area Committee, 13
Service Area Expenses, 42
Service Areas, 12
Special Assessments, 44
Specific Assessments, 44
Supplement, 3
Sustainability Review Board or SRB, 17
Units, 11
Voting Delegate, 14

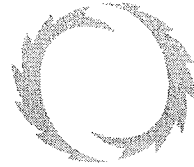
M A R I P O S A

EXHIBIT "A"

Land Initially Submitted

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
82 of 121
12/23/2004 08:43:18 AM

Tracts 1A-5, 1A-6, 1A-7, and 1A-8 Mariposa East as the same is shown and designated on the plat of Tracts 1A-1 thru 1A-10 & Tracts OS-1 thru OS-10 Mariposa East recorded July 1, 2004 in Book 407, page 20665 as document number 200420665, and Book 3, Folio 2433-B, in the records of Sandoval County, New Mexico



M A R I P O S A

EXHIBIT "B"

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
83 of 121
12/23/2004 08:43:18 AM

Land Subject to Annexation

Any and all property lying and being in Sandoval County, New Mexico, that is within 3 miles of any boundary of the property comprising the Community.

Note to clerk and title examiners:

This Charter is not intended to create an encumbrance on title to the property described in this Exhibit "B." Such title may be encumbered only with the consent of the owner by filing a Supplement in accordance with Chapter 17.



M A R I P O S A

EXHIBIT "C"

Initial Rules

SANDOVAL COUNTY

200441052

Book- 407 Page- 41052

84 of 121

12/23/2004 08:43:18 AM

The purpose of Rules is not to anticipate all acceptable or unacceptable behavior in advance and eliminate all improvements or activities that fall outside of "the norm." In fact, it is expressly intended that the Reviewer under Chapter 4, and the Board, as appropriate, have discretion to approve or disapprove items, or to enforce or not enforce technical violations of the Governing Documents, based upon aesthetic or other considerations consistent with the established guidelines. As such, while something may be approved or permitted for one Unit under one set of circumstances, the same thing may be disapproved for another Unit under a different set of circumstances. The exercise of discretion in approving or enforcement shall not be construed as a waiver of approval or enforcement rights, nor shall it preclude the Board from taking enforcement action in any appropriate circumstances.

The following shall apply to all of Mariposa until such time as they are modified pursuant to the Charter.

1. **General**. Mariposa Residential Property shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by the Founder to assist in the sale of property described in Exhibit "A" or "B," offices for any property manager retained by the Association, or business offices for the Founder or the Association) consistent with this Charter and any Supplement.

2. **Restricted Activities**. Unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board, the following activities are prohibited within Mariposa:

(a) Parking any vehicles on thoroughfares, or parking commercial vehicles or equipment, mobile homes, recreational vehicles, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages and such vehicles and other equipment shall be subject to removal by the Association at the owner's expense; provided, construction, service and delivery vehicles shall be exempt from this provision during normal business hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area. Periodic loading and unloading of recreational vehicles, watercraft, and trailers is permitted;

(b) Raising, breeding, or keeping animals except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit. However, those pets which are permitted to roam free, or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law. All pet owners shall be responsible for ensuring that all waste deposited by their pets on any Units or Common Area is collected and properly disposed of;

(c) Any activity that emits foul or obnoxious odors outside the Unit or creates noise or other conditions that tend to disturb the peace or threaten the safety of the occupants of other Units;

(d) Any activity that violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(e) Pursuit of hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit;

(f) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units;

(g) Outside burning of trash, leaves, debris, or other materials;

(h) Woodpiles, brush, or other materials, unless they are stored in a manner not to be attractive to rodents, snakes, or other animals and to minimize the potential danger from fires. No open fires shall be lighted or permitted in Mariposa, except in a contained outdoor fireplace or barbecue unit while attending and in use for cooking purposes or within a safe and well designed interior fireplace. All Owners and occupants of Mariposa must maintain their yards and underbrush in a manner that minimizes the risk of fire. Due to the fact that Mariposa is located in an area susceptible to wildfires, the Association and governmental entities may promulgate regulations concerning fire to minimize cataclysmic damage to dwellings and natural vegetation that can be caused by fire;

(i) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except alarm devices used exclusively for security purposes;

(j) Use and discharge of firecrackers and other fireworks;

(k) Accumulation of rubbish, trash, or garbage except between regular garbage pick-ups, and then only in approved containers protected from disturbance by wild or domestic animals and concealed from the view of streets and adjacent Units. Throwing or dumping trash, ashes, or other refuse on any vacant lot, trail, parkland, public area, Common Area, or other vacant land within or adjacent to Mariposa is prohibited;

(l) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(m) On-site storage of fuel, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Chapter 5;

(n) Capturing, trapping, or killing wildlife within the Community, except in circumstances posing a threat to the safety of Persons within the Community and in other circumstances which the Board determines necessary (*i.e.*, poisoning pests such as rodents and prairie dogs);

(o) Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within Mariposa or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;

(p) Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without prior approval pursuant to Chapter 5;

(q) Obstruction or rechanneling of drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that the Founder and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;

(r) Use of any "arroyo" trails maintained by the Association for purposes other than walking and non-motorized bicycling.

(s) Placement, construction, installation, or any modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Chapter 5 and the Guidelines for Sustainability. This shall include signs; and satellite dishes and antennas, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement

(iii) an antenna that is designed to receive television broadcast signals

shall be permitted on Units, subject to such reasonable requirements as to location and screening as may be set forth in the Guidelines for Sustainability, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. The Founder and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Community should any master system or systems be utilized by the Association and require such exterior apparatus.

I

SANDOVAL COUNTY
200441052
Book- 407 Page- 41052
86 of 121
12/23/2004 08:43:18 AM

Upon recording, please return to:

Myers, Oliver & Price
1401 Central Ave NW
Albuquerque, NM 87110
Attn: Hope Wynn

Cross-Reference to Charter recorded at:

Document 200441052
Book 407
Page 41052

STATE OF NEW MEXICO

COUNTY OF SANDOVAL

SANDOVAL COUNTY
200515689
Book- 408 Page- 15689
1 of 5
05/03/2005 01:39:05 PM

FIRST SUPPLEMENT TO COMMUNITY CHARTER FOR MARIPOSA RESIDENTIAL PROPERTY

THIS SUPPLEMENT is made this 2 day of May, 2005, by High Desert Investment Corporation, a New Mexico corporation ("**Founder**").

BACKGROUND STATEMENT

WHEREAS, the Founder executed and filed that certain Community Charter for Mariposa Residential Property, which was recorded on December 23, 2004, as Document 200441052 in Book 407, Page 41052, *et seq.*, in the Office of the County Clerk of Sandoval County, New Mexico ("**Charter**"); and

WHEREAS, pursuant to the terms of Section 17.1 of the Charter, the Founder has the right unilaterally to submit all or any portion of the property described on Exhibit "B" of the Charter to the terms of the Charter by recording Supplements describing the property to be subjected to the Charter and to the jurisdiction of the Mariposa Community Association, Inc. (the "**Association**"), provided the Founder's right has not expired, and further provided that the Owner of the property to be subjected consents, if other than the Founder; and

WHEREAS, the property described on Exhibit "A" of this Supplement (the "Additional Property") is a portion of the property described on Exhibit "B" to the Charter; and

WHEREAS, the Founder's right has not expired; and

WHEREAS, the Founder is the owner of the Additional Property and desires to submit the Additional Property to the terms of the Charter and to the jurisdiction of the Association.

NOW, THEREFORE, pursuant to the powers retained by the Founder under the Charter, the Founder hereby subjects the Additional Property to the provisions of the Charter and this Supplement and to the jurisdiction of the Association. Such property shall be sold, transferred, used, conveyed, occupied, and mortgaged or otherwise encumbered pursuant to the provisions of this Supplement and the Charter, both of which shall run with the title to such property and shall be binding upon all persons having any right, title, or any interest in all or any other Additional Property, their respective heirs, legal representatives, successors, successors-in-title, and assigns. The provisions of this Supplement shall be binding upon the Association in accordance with the terms of the Charter.

ARTICLE I
Definitions

The definitions set forth in the Charter are incorporated herein by reference.

ARTICLE II
Neighborhood Designation

The Additional Property that is identified on Exhibit "A" of this Supplement as "Tract 1A-10 Mariposa East" is hereby established and designated as a Neighborhood to be known as "Vista Sandia" pursuant to Section 3.2 of the Charter. Additional Units may be added to the Neighborhood as provided for in the Charter. The Additional Property that is identified on Exhibit "A" of this Supplement as Tracts 1A-2, 1A-3, 1A-4, and 1A-9 Mariposa East shall be established and designated as a Neighborhood by separate supplement to be recorded at a later date.

ARTICLE III

RESERVED

ARTICLE IV
Amendment

SANDOVAL COUNTY
200515689
Book- 408 Page- 15689
2 of 5
05/03/2005 01:39:05 PM

4.1. By the Founder.

Until conveyance of the first Unit to a Person other than a Builder, the Founder may unilaterally amend this Supplement for any purpose. Thereafter, the Founder may unilaterally amend this Supplement if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (d) to satisfy the requirements of any local, state or federal governmental agency.

However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing.

In addition, during the Development and Sale Period, the Founder may unilaterally amend this Supplement for any other purpose, provided the amendment has no material adverse effect upon any right of more than 2% of the Owners.

4.2. By Owners.

Except as otherwise specifically provided above, this Supplement may be amended only by the affirmative vote or written consent, or any combination thereof, of 75% of the total votes allocated to the Units within the Additional Property, the approval of the Board, and, during the Development and Sale Period, any such amendment shall also require the Founder's written consent.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

4.3. Validity and Effective Date.

No amendment to this Supplement may remove, revoke, or modify any right or privilege of the Founder or the Founder Member without the written consent of the Founder or of the Founder Member, respectively (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Supplement, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Supplement.

SANDOVAL COUNTY
200515689
Book- 408 Page- 15689
3 of 5
05/03/2005 01:39:05 PM

EXHIBIT "A"

Description of Additional Property

Tracts 1A-2, 1A-3, 1A-4, and 1A-9 Mariposa East:

Tracts 1A-2, 1A-3, 1A-4, and 1A-9 Mariposa East as the same is shown and designated on the plat of Tracts 1A-1 thru 1A-10 & Tracts OS-1 thru OS-10 Mariposa East recorded July 1, 2004 in Book 407, page 20665 as document number 200420665, and Book 3, Folio 2433-B, in the records of Sandoval County, New Mexico

Tract 1A-10 Mariposa East:

Tract 1A-10 Mariposa East as the same is shown and designated on the plat of Tracts 1A-1 thru 1A-10 & Tracts OS-1 thru OS-10 Mariposa East recorded July 1, 2004 in Book 407, page 20665 as document number 200420665, and Book 3, Folio 2433-B, in the records of Sandoval County, New Mexico ("Tract

SANDOVAL COUNTY
200515689
Book- 408 Page- 15689
5 of 5
05/03/2005 01:39:05 PM