



When recorded, return to:

Marc D. Blonstein, Esq.  
Berens, Kozub, Kloberdanz & Blonstein, PLC  
7047 East Greenway Pkwy., Suite 140  
Scottsdale, Arizona 85254

**FIRST AMENDMENT TO COMMUNITY CHARTER FOR MARIPOSA RESIDENTIAL  
PROPERTY**

This First Amendment to Community Charter for Mariposa Residential Property (the “**Amendment**”) is made this 9<sup>th</sup> day of December, 2015, by Mariposa East, LP, an Arizona limited partnership (the “**Founder**”) and the Mariposa Community Association, Inc., a New Mexico non-profit corporation (the “**Association**”), but shall be effective as of September 24, 2015 (the “**Effective Date**”).

**RECITALS:**

WHEREAS, High Desert Investment Corporation, a New Mexico corporation (the “**Original Founder**”) executed and filed that certain Community Charter for Mariposa Residential Property (“**Charter**”), 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 (the “**County Clerk’s Office**”);

WHEREAS, the Charter is the subject of several Supplements subjecting additional property to the Charter;

WHEREAS, pursuant to that certain Assignment of Founder’s Rights recorded on October 31, 2014 as Document No. 2014022738 in Book 417, Page 22738 *et seq.* in the County Clerk’s Office, MEast Holdings, LLC, a Delaware limited liability company, and the successor Founder to Original Founder, assigned and Founder has assumed and succeeded to all rights, powers and obligations as “**Founder**” under the Charter;

WHEREAS, at a special meeting of the Board of Directors of the Association held on September 24, 2015 (the “**Special Meeting**”), all of the Directors determined that an amendment approving the establishment of the Reserve Fund and Reserve Contribution (as such terms are defined below) would have a beneficial effect on, and would not have a material adverse effect on the rights of the Owners; all of the Directors voting at the Special Meeting voted in favor of an amendment approving the establishment of the Reserve Fund and Reserve Contribution (as such terms are defined below);

WHEREAS, the Development and Sale Period has not expired; and

WHEREAS, capitalized terms used herein and not defined herein shall have the meaning ascribed thereto in the Charter.

**NOW, THEREFORE**, the Founder hereby declares and amends the Charter as follows:

1. Section 12.11, as set forth below is hereby added to the Charter:

**12.11 Reserve Fund; Reserve Contribution; Related Terms.**

a. A reserve fund is hereby established for the future periodic maintenance, repair, or replacement of the major components of the Common Areas or Areas of Common Responsibility (the “**Reserve Fund**”). The Association makes no assurance that the Reserve Fund will be sufficient to meet the needs for which the Reserve Fund is held. From and after the Effective Date, each Owner of a Unit (other than the Founder or a Builder designated by the Founder) shall, at the time of the initial transfer or conveyance of the Unit to other than the Founder (or Builder designated by the Founder), make a contribution to the Reserve Fund in an amount equal to one-sixth of the annual Base Assessment per Unit for that year (the “**Reserve Contribution**”). The Board may, from time to time, but not more than once annually, increase or decrease the amount of the Reserve Contribution provided that the Reserve Contribution does not exceed one-sixth of the annual Base Assessment per Unit for that year. The Reserve Contribution: (i) shall be in addition to, and not in lieu of, the annual Base Assessment and any Service Area Assessment levied on the Unit, (ii) shall not be considered an advance payment of such assessments, and (iii) shall be in addition to any applicable transfer fee or other fees, contributions, assessments or costs required to be paid to the Association pursuant to this Charter or the By-Laws. The Reserve Contribution shall be due and payable to the Association immediately upon transfer of title of a Unit as provided above.

b. No Reserve Contribution shall be payable with respect to: (a) a transfer or conveyance of a Unit by the grantor to a corporation, partnership or other entity in which the grantor owns a majority interest; (b) a conveyance of a Unit as a result of the foreclosure of the first Mortgage encumbering the Unit (but upon a transfer of the Unit from the first Mortgagee to a third party, other than the Founder or a Builder designated by the Founder, such Reserve Contribution shall be paid); or (c) the conveyance of a Unit to a first Mortgagee pursuant to a deed in lieu of foreclosure executed by the mortgagor Unit Owner (but upon a transfer of the Unit from the first Mortgagee to a third party, other than the Founder or a Builder designated by the Founder, such Reserve Contribution shall be paid).

c. All funds in the Reserve Fund shall be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with other Association funds. Such reserves shall be deemed a contribution to the capital account of the Association by the Owners. The Board shall not expend funds from the Reserve Fund for any other purpose other than those purposes for which they are collected.

d. Unless the Association is exempt from federal or state income taxes, all reserves shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulation of the Internal Revenue Service that will prevent such funds from being taxed as income of the Association.

2. Except as expressly modified in this Amendment, the Charter shall remain in full force and effect.

**[Signatures Appear on the Following Page]**



**ASSOCIATION:**

**MARIPOSA COMMUNITY ASSOCIATION, INC.,** a  
New Mexico nonprofit corporation

By: *[Signature]*  
Its: President

STATE OF Arizona )  
  )ss.  
COUNTY OF Maricopa

This instrument was acknowledged before me on December 9, 2015, by Timothy P. Brislin  
the President of Mariposa Community Association, Inc., a New Mexico nonprofit corporation, on  
behalf of the corporation.

*[Signature]*  
Notary Public

My Commission Expires: \_\_\_\_\_

