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04/15/2024 01:06:50 PM Page 1 of 5
Anne Brady-Romero, County Clerk-Sandoval County, NM

When recorded mail to:

Upon recording, please return to:
MARIPOSA EAST, LP
17700 N. Pacesetter Way, #100
Scottsdale, AZ 85255
Attn: Timothy P. Brislin

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

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Upon recording, please return to:
MARIPOSA EAST, LP
17700 N. Pacesetter Way, #100
Scottsdale, AZ 85255
Attn: Timothy P. Brislin

Cross-Reference to Charter recorded at:
Document 200441052
Book 407
Page 41052

STATE OF NEW MEXICO

COUNTY OF SANDOVAL

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

This Second Amendment to Community Charter for Mariposa Residential Property (the “**Amendment**”) is made this 11th day of April, 2024, by Mariposa East, LP, an Arizona limited partnership (“**Founder**”).

RECITALS:

WHEREAS, High Desert Investment Corporation, a New Mexico corporation, as the initial founder (“**HDIC**”), executed and filed that certain Community Charter for Mariposa Residential Property 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, which was amended by that certain First Amendment to Community Charter for Mariposa Residential Property recorded on December 14, 2015, as Document 2015027734 in Book 415, page 27734, records of Sandoval County, New Mexico (as amended, the “**Charter**”); and

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

WHEREAS, HDIC executed and had filed that certain Memorandum of Assignment of Development and Contract Rights, which was recorded on December 20, 2012, as Document 2012032676 in Book 415, Page 32676, in the Office of the County Clerk of Sandoval County, New Mexico, wherein HDIC granted, transferred and assigned to MEast Holdings, LLC (“**MEH**”) all of its rights, title and interest in and to, including but not limited to, Founder’s interest under any and all of the community documents affecting the property described in Exhibit “B” of the Charter; and

WHEREAS, MEH executed and had filed that certain Assignment of Founder’s Rights, which was recorded on October 31, 2014, as Document 20144022738 in Book 417, Page 22738, in the Office of the County Clerk of Sandoval County, New Mexico, wherein MEH granted, transferred and assigned to Founder all of its rights, title and interest in and to, including but not limited to, Founder’s interest under any and all of the community documents affecting the property described in Exhibit “B” of the Charter; and

WHEREAS, the Founder's rights have not expired under the Charter; and

WHEREAS, pursuant to Section 21.1 of the Charter, during the Development and Sale Period, the Founder may unilaterally amend the Charter for any purpose, provided the amendment has no material

adverse effect upon the rights of more than two percent (2%) of the Owners;

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

WHEREAS, the Founder desires to amend the Charter to allow the Builders to pay Reduced Assessments (defined below) for a period not to exceed thirty-six (36) months, as long as the Builders also pay a Deficiency Assessment (defined below) to make up any Association budget shortfall, all as provided in this Amendment; and

WHEREAS, the Owners' obligations to pay assessments due under the Charter are unaffected under this Amendment; the Owners are not required to contribute to any Deficiency Assessments (defined below); Builders shall be required to pay any Deficiency Assessments to cover any Association budget shortfall during the Reduced Assessments Period; upon conveyance of a Unit to a non-Builder Owner or the earlier expiration of the Reduced Assessments Period, the full Assessment rate shall become due; a Reduced Assessments provision for Builders (i) is common in the industry of community development and benefits the Community by attracting qualified Builders to own and construct in the Community, and (ii) provides a revenue stream to the Association during the development of portions of the land both before such land places any meaningful financial or administrative burden on the Community and as the Association's maintenance obligations increase through the development and turnover of the land; therefore, this Amendment has no material adverse effect upon the rights of any Owners; and

WHEREAS, the Founder therefore has the unilateral right to amend the Charter.

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

1. Section 12.12, as set forth below, is hereby added to the Charter:

12.12 Builder's Financial Obligations to Association.

a. The "**Reduced Assessment Period**" is the period beginning on the date that the Builder acquires fee simple title to a Unit, and ending on the earlier of (x) twenty-four (24) months after the commencement of the Reduced Assessment Period, or (y) the date the Builder conveys the applicable Unit to a Person other than a Builder.

b. During the Reduced Assessment Period, the Builder shall be liable for all assessments that may be levied against a Unit by the Association under the Charter (including, without limitation, Base Assessments, Common Expenses, Special Assessments for Common Expenses, Service Area Expenses, Service Area Assessments and/or Specific Assessments) on any Unit it owns (collectively, the "**Assessments**"), except that, in recognition of the fact that prior to the time homes are constructed upon the Units the maintenance required is limited, Builder's obligation for the Assessments applicable to such Unit will be reduced to an amount equal to twenty-five percent (25%) of the Assessments that are payable by Owners during the Reduced Assessment Period (the "**Reduced Assessments**"). The Builder shall also be required to pay to the Association Deficiency Assessments as provided in Section 12.12(c), below. If, upon termination of the Reduced Assessment Period, the Builder still owns the applicable Unit, then upon termination of the Reduced Assessment Period, the Builder shall immediately resume paying Assessments in full. No Owner is permitted to pay Reduced Assessments or Deficiency Assessments (unless the Owner is also a Builder).

c. Subject to the terms of this Section 12.12(c), during the Reduced Assessment Period, the Builder shall pay to the Association Builder's allocable share of such amounts as may be necessary to make up any budget shortfalls of the Association resulting from the Reduced Assessments (the "**Deficiency Assessments**"). The Deficiency Assessments shall be allocated between the Builders on a pro rata basis according to the number of Units owned by each Builder, and number of days owned during the Reduced Assessment Period for which there is a deficiency. Notwithstanding the foregoing, in no event shall any Builder be obligated to pay the Association any assessment or other charge that would cause the total amount of Deficiency Assessments and Reduced Assessments to exceed the full amount of Assessments on any Units the Builder owns that were assessed during the Reduced Assessment Period. In the event of any conflict between this Section 12.12 and any other paragraph of the Charter, this Section 12.12 shall control. Notwithstanding anything to the contrary contained in the Charter, each Builder, from the date such Builder becomes an owner of a Unit, shall be obligated to pay its pro rata share of Deficiency Assessments for all Units owned by such Builder, provided that such Builder shall receive a credit against its obligation to pay Deficiency Assessments in the amount of any Reduced Assessments paid with respect to the Units owned by such Builder.

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

[signature page follows]

