

**DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF EASEMENTS, RESTRICTIONS AND COVENANTS
FOR
CASAS CHAMISAS CONDOMINIUMS PHASE III**

This Declaration is effective the 15th day of March, 2005, by **WHITE-RIETMEIJER, LLC**, a New Mexico limited liability company (the "Declarant"), being the record owner of the fee simple title to the real property described as follows:

UNITS A, B, C AND D

**CASAS CHAMISAS CONDOMINIUMS PHASE III
CITY OF RIO RANCHO
STATE OF NEW MEXICO**

**LOT NUMBERED THREE (3), IN BLOCK NUMBERED ONE (1), OF
COUNTY CLUB SQUARE, AS THE SAME IS SHOWN AND DESIGNATED
ON THE PLAT THEREOF FILED IN THE OFFICE OF THE COUNTY
CLERK OF SANDOVAL COUNTY, NEW MEXICO, ON OCTOBER 15, 2002,
IN PLAT BOOK 3, FOLIO 2221B (hereinafter the "Property").**

This Declaration is made pursuant to the requirements of the New Mexico Condominium Act, Sections 47-7A-1 through 47-7D-20 NMSA 1978 (1995 Rcpl.) (the "Act"). Declarant, for itself, its successors and assigns, hereby declares that the Property should be owned and held in condominium ownership in accordance with, and the Property hereby submitted to, the Act unless otherwise so determined. Declarant hereby publishes and declares that all of the Property is and shall be held, owned, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the Act, as amended from time to time, subject to the rights, easements, privileges, covenants and restriction stated herein, which shall be deemed to run with the land and shall be a burden and a benefit to Declarant, his successors and assigns, and to any person acquiring or owning an interest in the Property, their grantees, successors, assigns, heirs, executors and administrators.

I.
DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration shall have the following meanings:

A. **"Assessment"** shall mean the charge levied and assessed each year against each Condominium Unit pursuant to the covenants for CCS.

B. **"Articles"** shall mean the Articles of Incorporation of the Association as the same may be amended from time to time.

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C. **"Assessment Lien"** shall mean the lien created and imposed by the covenants for CCS.

D. **"Assessments"** shall mean the annual Assessments and the Special Assessments of the Association.

E. **"Association"** shall mean the Country Club Square Homeowners' Association, Inc. currently organized to administer and enforce the Covenants and to exercise the rights, powers, and duties set forth in this Declaration.

F. **"Association Land"** shall mean such part or parts CCS owned by the Association.

G. **"Board"** shall mean the Board of Directors of the Association.

H. **"Bylaws"** shall mean the Bylaws of the Association as the same may be amended from time to time.

I. **"CCS"** shall mean the Country Club Square subdivision.

J. **"Condominium"** shall mean the Casas Chamisas Condominiums Phase III.

K. **"Condominium Organization"** shall mean the unincorporated organization created herein to administer the Condominium.

L. **"Condominium Organization Land"** shall mean the Common Area of the Condominium, but not including any limited common area or Condominium Unit.

M. **"Condominium Charge"** shall mean the charges for insurance, Common Area maintenance and any other charge identified herein.

N. **"Condominium Dues"** shall mean those amounts due by an Owner to the Condominium Organization pursuant to this Declaration

O. **"Covenants"** shall mean the Declaration of Covenants for CCS filed in the office of the County Clerk of Sandoval County, New Mexico on December 4, 2003, in Book 406, page 204096.

P. **"Declarant"** shall mean **WHITE-RIETMEIJER, LLC**, a New Mexico limited liability company, and its successors and assigns.

Q. **"Declaration"** shall mean this Document.

R. **"Deed"** shall mean a Deed or other instrument conveying the fee simple title to real property within the Condominium.

S. **“Condominium Unit”** shall mean each residential Condominium Unit for permanent, residential use, and all projections and extensions thereof, shown and designated as Units A, B, C and D on the Plat of Survey attached hereto as Exhibit A and incorporated herein, including its appurtenant interest in the Common Areas.

T. **“Improvements”** shall mean and include parking areas, loading areas, fences, walls, poles, signs, landscaping and any other structure or facility of any kind or type within the Property.

U. **“Member”** shall mean all Owners.

V. **“Owner”** shall mean the record holder of legal title to the fee simple interest in any Condominium Unit, including contract sellers, but excluding others who hold such title merely as security. In the case of Condominium Units the fee simple title to which is vested in a trustee pursuant to New Mexico law, legal title shall be deemed to be in the Trustee.

W. **“Property”** shall mean Lot 3, in Block 1, of Country Club Square.

X. **“Resident”** shall mean:

(1) Each buyer under a contract of sale of any Condominium Unit within the Condominium and each tenant under a lease, written or oral, of any Condominium Unit within the Condominium; and

(2) Members of the immediate family of each Owner and of each buyer and of each tenant actually living on any Condominium Unit within the Condominium.

Y. **“Voting Owners”** shall mean those Owners who, pursuant to Article VIII, have voting rights.

II. **NAME AND LOCATION**

The name by which the Property is to be identified is to be “Casas Chamisas Condominiums Phase III.” The Property is located in Rio Rancho, County of Sandoval, State of New Mexico, and is situate within Lot 3, Block 1, of Country Club Square, as set forth above.

III. **GENERAL PLAN OF DEVELOPMENT**

The Condominium is a residential condominium project. The project is to be developed at 3019 Southern Boulevard, Rio Rancho, New Mexico. The project is planned for one (1) building containing four (4) Condominium Units.

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IV.
PLAT OF SURVEY AND FLOOR PLANS

Attached hereto as Exhibit A and incorporated herein is a plat of survey (hereinafter the "Plat") showing the location and spacing of the building comprising the Condominium constructed on the Property. Attached hereto as Exhibit B and incorporated herein is a set of floor plans for the building (hereinafter the "Plans") showing the layout, location, dimensions, elevations, approximate area, type and number of rooms, and unit identification numbers of each of the Condominium Units, and the limited common areas and facilities reserved for the use of each Condominium Unit (if any).

For the purpose of describing the Condominium Units, the boundaries of such Condominium Units are defined as the perimeter walls, floors and ceilings of each Condominium Unit including all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof. Any chute, flue, duct, wire, conduit, bearing wall, bearing column or any other fixture lying partially within or partially outside the designated boundaries of a Condominium Unit, or any portion thereof serving only that Condominium Unit, is a limited common element allocated solely to that Condominium Unit, and any portion thereof serving more than one Condominium Unit or any portion of the common elements is deemed a part of the common elements. Any and all spaces, interior partitions and other fixtures and improvements within the boundaries of the Condominium Unit, as described above, are deemed a part of the Condominium Unit. Any shutters, awnings, window boxes, doorsteps or stoops and all exterior doors and windows or other fixtures designated to serve a single Condominium Unit, but located outside a Condominium Unit's boundaries, are limited common elements allocated exclusively to that Condominium Unit. Notwithstanding anything contained in this Declaration to the contrary, any heating or cooling equipment, fixtures or machinery which serves a single Condominium Unit is deemed a part of that Condominium Unit and shall not be considered a common element.

V.
LIMITED COMMON AREAS AND FACILITIES

In addition to the limited Common Areas specified in Article IV above, additional portions of the Common Areas and facilities may be reserved for the use of certain Condominium Units to the exclusion of others, except by invitation, and such areas will also be known as limited Common Areas or Common Elements and facilities. Such additional limited Common Areas/Elements and facilities are shown on Exhibits A and B. Each Owner shall be solely responsible for the repair and maintenance of the limited Common Areas/Elements and facilities allocated for use by such Condominium Unit.

VI.
CONDOMINIUM ORGANIZATION LAND AND FACILITIES

Condominium Land and facilities shall consist of the property, except the portions thereof which constitute Condominium Units or limited common areas, and also all parts of the building and any facilities, improvements and fixtures which may be within a Condominium Unit which are or

may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair and safety of the building or any portion thereof or any Condominium Unit therein.

Without limiting the generality of the foregoing, the following shall constitute Common Areas and facilities:

1. All of the land and the building, exclusive of the Condominium Units and limited common areas, which constitute the Property, and all easements, servitudes, rights and privileges belonging or in any way appertaining therefore;
2. All foundations, columns, girders, beams and supports of the building;
3. All yard areas, walkways, porches, portals, exterior doors and windows not designated to serve a single Condominium Unit, parking areas, except those parking spaces and areas indicated on Exhibit B as being allocated to a specific Condominium Unit, and loading areas;
4. The exterior wall of the building, the main or bearing walls within the building, the main or bearing sub-flooring and the roofs of the building;
5. Fixtures, apparatus, installations and central facilities (main lines) for power, light, gas (but not the gas meter for each Condominium Unit), distribution lines for water, sewer systems, telephone, television, cold water, trash, incineration or similar utility, service or maintenance purpose, including water storage and pressure tanks, or similar fixtures;
6. All Common Area, but not limited Common Areas/Elements shown and designated on the Plat; and
7. All other parts of the Property necessary for the common use or convenient to the existence, maintenance and safety of the Property, which are not included in the description or definition of a Condominium Unit or a limited Common Area/Element.

VII.
ALLOCATION OF COMMON ELEMENTS

The allocation of each Condominium Unit's undivided ownership interest in the Common Areas and facilities shall be based upon the following formula. For this purpose, the Common Area for the Condominium shall be calculated by the square footage of the floor area of the Condominium Unit encompassed by the perimeter walls thereof, rounded to the nearest whole foot.

Sq. Footage area of a Condominium Unit and designated limited Common Area	=	The Condominium Unit's percentage of undivided ownership interest in the Common Areas and facilities
Aggregate total sq. footage of all Condominium Units and limited Common Areas in the Condominium		

Such undivided ownership interest in the Common Areas and facilities, expressed as the percentage appurtenant to a particular Condominium Unit interest, are as follows: Condominium Unit A's interest is 33.50%, Condominium Unit B's interest is 22.10%, Condominium Unit C's interest is 22.20%, and Condominium Unit D's interest is 22.20%.

Each Owner shall own his undivided interest in the Common Areas and facilities as a tenant-in-common with all other Owners in the Condominium and owners in CCS and, except as otherwise limited in this Declaration, shall have the right to use the Common Areas and facilities and any chattels owned by the in the Condominium Organization for all purposes incidents to the use and occupancy of his Condominium Unit and such other incidental uses permitted by this Declaration, which right shall be appurtenant to and shall run with each Condominium Unit interest.

VIII. THE CONDOMINIUM ORGANIZATION

1. **General purposes and powers.** In addition to the rights and powers set forth in this Declaration, the Association and each in the Condominium Unit Owner shall have such rights and powers as are set forth in the Covenants, Articles and Bylaws of the Association. Copies of the declaration, Articles and Bylaws for the Association are available for inspection at the designated office of the Association.

2. **Membership.** Each Condominium Unit owner shall automatically be a Member of the in the Condominium Organization, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member. Membership and voting rights in the in the Condominium Organization shall be appurtenant to and may not be separated from ownership of any Condominium Unit. When one person holds an ownership interest in more than one Condominium Unit, such person shall be a Member and shall be entitled to one vote for each Condominium Unit owned. A Member shall have no voting rights in the in the Condominium Organization in the event such Member is in default of any of the provisions of the Declaration or the Covenants.

IX. EASEMENTS AND RIGHTS OF ENJOYMENT IN CONDOMINIUM ORGANIZATION LAND

1. Subject to the limitations contained in this Declaration, every Owner shall have the right and/or easement of enjoyment in and to all Condominium Organization Land or Common Area that is not limited Common Area or part of a Condominium Unit, if any, and such easement shall be appurtenant to and shall pass with title to every Condominium Unit upon transfer. All Residents shall have a nontransferable privilege to use and enjoy all Condominium Organization Land, if any, for as long as they remain Residents. The use of easements within the Condominium Organization Land by Residents shall be limited to the specific purpose for which the easement was granted as identified in the plat or other document creating such easement.

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2. All rights granted and conferred above shall be subject to the exclusive right of the Condominium Organization to adopt reasonable rules and regulations pertaining to the use of Condominium Organization Land.

3. The Condominium Organization shall have the right to suspend the aforesaid rights of enjoyment of any Owner (and the privilege of each Resident or other person claiming through such owner) for any reasonable period up to but not in excess of ninety (90) days in connection with the enforcement of any of the Condominium Organization's rules or regulations relating to Condominium Organization Land.

4. If ingress and egress to any Condominium Unit is through the Condominium Organization Land, any conveyance or encumbrance of the Condominium Organization Land shall be subject to a Condominium Unit Owner's easement of access.

X. MAINTENANCE

1. The Common Area shall be maintained by the Condominium Organization to the following standards:

A. **Exterior.** Building exteriors shall be maintained in accordance with good housekeeping practices.

- (1) Exterior appearance of buildings shall be kept as nearly as possible consistent with that when structures were new and ready for first occupancy.
- (2) Painted surfaces shall be restored and repainted whenever spalling, alligator cracking, blistering, or chalking has exposed underlying materials or coats of paint
- (3) Masonry joints shall be replaced whenever mortar becomes loose and displaced.
- (4) All stains on masonry shall be removed as soon as weather permits.
- (5) Broken windows shall be replaced as soon as possible.
- (6) Lights illuminating signs and buildings shall be replaced as soon as failure is noted.
- (7) Cracks in masonry shall be repaired in a timely manner.
- (8) Gutters and leaders shall be maintained free of leaks.

B. Open areas. Surrounding areas shall be maintained equal to first ready-for-occupancy condition.

- (1) Pavements shall be kept in good repair with all holes patched and surfaces kept smooth and water-tight.
- (2) Signs shall be kept carefully finished and in good repair with all broken elements repaired or replaced.
- (3) Grassed areas shall be kept carefully trimmed, free of weeds, free of bare spots.
- (4) Shrubbery shall be fertilized and pruned so as to maintain a healthy, well cared for appearance.
- (5) Curbs shall be repaired and maintained free of spalled areas, cracks, or displaced sections.
- (6) Sidewalks shall be maintained level, and free from spalled or broken areas.
- (7) Fences shall be kept upright, in line, and free of corrosion or decay.
- (8) Lighting standards shall be maintained upright and free of corrosion or decay.
- (9) Garbage or trash storage shall not be visible from any street, and shall be contained in suitable receptacles.

2. Condominium Units and limited Common Areas shall be maintained by each Owner to the following standards:

- (1) Mobile homes, recreational vehicles, boats and trailers are not permitted at any Condominium Unit;
- (2) No radio, television or similar tower shall be erected at or on any Condominium Unit;
- (3) No sign or advertisement of any kind shall be erected or maintained at any Condominium Unit without written approval of the Committee, except "For Sale," "For Rent" or "For Lease" signs of customary size;
- (4) Rubbish and garbage must be kept in suitable containers and removed from Condominium Units in accordance with sanitation regulations.

No rubbish or garbage may be burned or dumped within the Condominium or a Condominium Unit;

- (5) No Condominium Unit shall be used in whole or in part for the storage of any property or object that will cause such Condominium Unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any activity be carried on, or substance kept on any Condominium Unit that will emit foul or obnoxious odors, or that will cause unreasonable noise or which may be or become a nuisance to the Condominium.

XI.

NO SEVERANCE OR PARTITION OF COMMON AREAS AND FACILITIES

The Common Areas and facilities and the undivided interest of an Owner of a Condominium Unit in the Common Areas and facilities shall not be severed or separated from the Condominium Unit interest to which they are appurtenant. The Common Areas and facilities shall remain undivided and no Owner or any other person shall have any right to bring any action for partition or division of the Common Areas and facilities through judicial proceedings or otherwise unless the Property first has been removed from the provisions of the Act.

XII.

COVENANTS AND RESTRICTIONS OF USE AND OCCUPANCY

1. **Use of Common Areas and facilities.** All use and occupancy of the Common Areas and facilities shall be subject to this Declaration and the rules and regulations of the Condominium Organization. There shall be no obstruction of the Common Areas except as expressly provided herein. The Common and limited Common Areas and facilities shall be kept free and clear of rubbish, debris and other unsightly materials. Nothing shall be altered, constructed or removed from the Common or limited Common Areas and facilities except upon prior written consent of the Condominium Organization. Each Owner and their guests and invitees has a non-exclusive access and use easement over the Common Areas for the purpose of using, accessing and maintaining its Condominium Unit.

2. **No imperiling of insurance.** Nothing shall be done or kept in any Condominium Unit or in the Common or limited Common Areas and facilities which will increase the rate of insurance or cause the cancellation of insurance on the Property, the building or contents thereof.

3. **No violation of law.** No Owner, guest or Resident shall do anything or keep anything in or on the Property which would be in violation of any statute, rule, ordinance, regulation or other validly imposed requirement of any governmental body.

4. **General limitations on use.** Nothing shall be done in any Condominium Unit or in, on or to the Common or limited Common Areas and facilities which will impair the structural integrity of the building which would jeopardize the soundness or the safety of the building,

structurally change the building, constitute a nuisance or reduce the value of our impair easements, servitudes, rights or privileges belonging to or in any way appurtenant to the Property, except as specifically permitted herein. If, due to misuse, carelessness or negligence of any Owner, his guests or Residents, loss or damage shall be caused to any person, property, Common Area or other Condominium Unit, such Owner shall be liable and responsible for the same. The amount of such loss or damage may be collected by the Condominium Organization from such Owner as a Lien for a special expense, by legal proceedings or otherwise, and such amount shall be secured by as Assessment Lien on the Condominium Unit interest of such Owner as provided herein for Condominium Charges for other charges.

5. **Rules and Regulations.** The Condominium Organization shall have the power and authority to adopt and enforce specific rules and regulations governing the use and occupancy of the Condominium Units and Common Areas. Such rules and regulations shall be adopted, after notice to the Owners, by the percentages set forth in Article VII of this Declaration.

6. **Parking spaces.** There shall be no obstruction of any Common Area or limited Common Area. Nothing shall be stored in any Common Area without the approval of the Condominium Organization. Parking spaces in the Common Area shall be regulated by the Condominium Organization. Provided, however, the parking spaces assigned to each Condominium Unit as limited Common Area shall be for the use only by the by the Owner of each Condominium Unit.

7. **Insurance.** Nothing shall be done or kept in any Condominium Unit, or in any Common Area, which will increase the rate of insurance on any Common Area without the approval of the Condominium Organization. No owner shall permit anything to be done or kept in his Condominium Unit or in any Common Area which will increase the rate of fire or liability insurance on any Common Area or in any other Condominium Unit, except with the express prior written approval of the Condominium Organization.

8. **Signs.** No sign of any kind shall be displayed to the public view on or from any Condominium Unit or any Common Area without the approval of the Condominium Organization.

9. **Interference.** Nothing shall be done either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or Resident. No Owner shall make or permit any disturbing noises in his Condominium Unit caused by himself, his guests and invitees nor do or permit anything by such persons that will interfere with the rights, comforts, or conveniences of other Owners. Each Owner shall keep his Condominium Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors, windows, yards, porches, or patios thereof, any dirt or other substance.

10. **Electrical equipment.** All radio, television or other electrical equipment of any kind or nature installed or used in each Condominium Unit shall fully comply with all rules of the Condominium Organization.

11. **Exterior.** Nothing shall be stored outside of any of the Condominium Units or within the Common Areas of the Condominium except with the prior written consent of the Condominium Organization.

12. **Flammable substances.** No Owner or Resident or any of his guests or invitees shall at any time, bring into or keep in his Condominium Unit any flammable, combustible, or explosive fluid, material, chemical or substance without the prior written approval of the Condominium Organization.

13. **Equipment installation.** The installation and use of any equipment in a Condominium Unit shall conform to the generally accepted or recommended technical specifications for the equipment involved and shall not interfere with the use and enjoyment or create any danger to any other Condominium Unit. Prior to the installation of any equipment not normally used in the Condominium Units, the Owner shall submit to the Condominium Organization all technical data regarding installation and use of such equipment for approval.

14. **Vehicles.** Except as permitted by of the Condominium Organization, no trailer or vehicle of any type shall be stored in any Common Area. No vehicle shall be repaired or rebuilt in any Common Area. No non-operational or junk vehicle shall be left in the Common Area. All Residents shall comply with all traffic signs in the public and private access easements. Vehicles shall not be parked within public or private access easements. Vehicles parked within public or private access easements may be towed by the Condominium Organization at the owner of the vehicle's expense.

15. **Business.** No manufacturing, commercial or business operation is allowed in any Condominium Unit. No Condominium Unit shall be used in whole or in part for the storage of any property or object that will cause such Condominium Unit to appear in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any activity be carried on, or substance kept on any Condominium Unit that will emit foul or obnoxious odors, or that will cause unreasonable noise or which may be or become a nuisance to the Condominium.

16. **Animals.** No animals, livestock or poultry of any kind shall be raised, bred, kept or maintained in any Condominium Unit or on the Property, except that dogs, cats, or other domesticated household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided they do not disturb other Owners or become a nuisance in any way. Such pets shall be kept within suitable shelter for proper care. No pcts shall be allowed to roam free.

17. **Antenna.** No radio or television antenna or similar tower shall be erected on any Condominium Unit or be attached to any building.

18. **Recreational Vehicles.** Mobile homes, recreational vehicles, boats and trailers are not permitted at the Property. Travel trailers or recreational vehicles belonging to bona-fide guests may not remain at any Dwelling Unit for longer than twenty-four (24) hours for any one visit, and must be parked on a designated parking stall.

19. **Rubbish and Garbage.** Rubbish and garbage must be kept in suitable containers and removed from Condominium Units in accordance with sanitation regulations. No rubbish or garbage may be burned or dumped within the Property, except in such places as may be specifically designated and approved for such purposes by the county or municipal authorities. No open fires shall be permitted.

20. **Traffic signs.** All residents shall comply with all traffic signs in the private access easement. Vehicles shall not be parked within the private access easement. Vehicles parked within the private access easement may be towed by the Association at the owner of the vehicle's expense.

21. **Enforcement.** No Owner or Resident of a Condominium Unit within the Condominium shall violate the terms of this Declaration, the Covenants, the Articles, the Bylaws, rules of the Association or the rules of the Condominium Organization, as they presently exist or as they are hereinafter amended by the Association or the Condominium Organization. If any Owner or Resident of a Condominium Unit, or any of their respective guests or invitees, violates any term or provision of this Declaration, the Covenants, the Articles, the Bylaws, the rules of the Association or the rules of the Condominium Organization, the Condominium Organization may impose a Condominium Charge upon such Owner or Resident of not more than \$500.00 as liquidated damages and may cure the violation at the cost and expense of such Owner and charge such Owner an additional Condominium Charge for the amounts incurred plus interest thereon at the rate of eighteen percent (18%) per annum. Before invoking any such charge, the Condominium Organization shall give the Owner an opportunity to be heard, either in person or by counsel. Any charge imposed hereunder, which remains unpaid for a period of ten (10) days, shall become a Lien upon the Owner's Condominium Unit if included in a notice of assessment duly recorded. In addition to any assessment, any Owner or the Condominium Organization shall have the right to bring a lawsuit against the violating Owner or Resident to enforce the provisions of this Declaration, the Covenants, the Articles, the Bylaws, the rules of the Association or the rules of the Condominium Organization and shall have available in such lawsuit any and all remedies available in law or equity, including without limitation the right to damages, specific performance, injunctive relief and declaratory relief. In any action brought to enforce this Declaration, the Covenants, the Articles, the Bylaws, the rules of the Association or the rules of the Condominium Organization, the prevailing party shall have the right to recover its costs and reasonable attorney's fees incurred in bringing the lawsuit or otherwise enforcing this Declaration, the Covenants, the Articles, the Bylaws, the rules of the Association or the rules of the Condominium Organization.

XIV. **ASSESSMENTS AND EXPENSES**

1. The Declarant, for each Condominium Unit, hereby covenants, and each Owner of any Condominium Unit by acceptance of a Deed therefor is deemed to covenant and agree to pay to the Assessments as set forth in the Covenants.

2. Common expenses of the Condominium shall be separately stated as to real estate taxes and to all other common expenses.

3. Condominium Charges and any installments thereof not paid on or before ten (10) days from the date when due shall bear interest at the minimum rate of twelve-percent (12%) per annum, or such higher rate of interest as may be set by the Condominium Organization, not to exceed eighteen (18%) per annum from the date when due until paid. All payments on accounts shall be first applied to interest and then to the Condominium Charge payment first due.

4. There shall be a lien upon the applicable Condominium Unit interest for unpaid Condominium Charges which shall also secure reasonable attorney's fees and all costs and expenses, including taxes, if any, incurred by the Condominium Organization because of such a lien. The Condominium Charge shall be superior to all other liens and encumbrances except, liens and charges in favor of the State or any political subdivision thereof for taxes past due and unpaid on the unit and amounts due under duly recorded first mortgages.

5. The Condominium Organization may include in the periodic Condominium Charges amounts representing contribution to the capital of the Condominium Organization to be used for the replacement of or additions to capital items or improvements in the Property. Said amounts shall be set up as capital accounts for each Condominium Unit interest. In the event of transfer of Condominium Unit interest, such capital account shall be deemed transferred to the transferee thereof.

6. In assessing owners for capital improvements to the Common Areas and facilities there shall be no single improvement exceeding the sum of \$5,000.00 made by the Condominium Organization without the same having first been voted on and approved by a vote of the Voting Owners.

7. Except for water, utilities for each Condominium Unit shall be separately metered and shall be the responsibility of the Owner of such Condominium Unit except water. Water readings for the Condominium Units and Common Area shall be supplied from one main meter for the Condominium. The statement for water usage will be received by the Owner of Unit A and such Owner will then notify the other Owners of the amount due for each month. All Owners shall then timely pay an equal share to the Owner of Unit A to be paid to the City of Rio Rancho or its successors or assigns. For the purpose of this Paragraph 7 only, each Condominium Unit shall be responsible for a 25% share.

8. Condominium Charges for common expenses shall be determined by the Condominium Organization and shall be based upon advance estimates of the Condominium Organization's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance, repair and replacement of the common areas and facilities. Each Condominium Unit shall share equally in all Condominium Charges. Such estimated expense and Condominium Charges may include, among other things, the following:

- A. Expenses for lighting, cleaning, maintaining and repairing or replacing Common Areas and facilities;

- B. Premiums for property insurance on the Common Areas and premiums for liability insurance, pursuant to Section 47-7C-13 NMSA 1978 (1995 Repl.).
- C. Creation of a reasonable reserve for replacements and contingencies; and
- D. Unless the Association elects otherwise, each unit and its percentage of undivided interest in the Common Areas shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessing unit and special district for all types of taxes authorized by law, including ad valorem taxes and Special Assessments.
- E. Any other expenses or liabilities which may be incurred in accordance to the provisions of this Declaration by the Condominium Organization for the benefit of the Owners.

Expenses related to the maintenance, repair or replacement of those portions of the Property designated as limited Common Areas shall be the sole responsibility of the Condominium Unit to which such limited Common Area is allocated. Expenses or charges related to the maintenance, repair or replacement of those portions of the Condominium designated as limited Common Areas resulting from improper use, damage or the negligence of an Owner, Resident, guest or invitee shall be the sole responsibility of the Condominium Unit Owner causing such maintenance, repair or replacement.

9. The Condominium Organization shall have a lien on any Condominium Unit for any Condominium Charge or water utility charge levied against that Condominium Unit from the time the Condominium Charge or water utility charge becomes due. The Condominium Organization's lien may be foreclosed in like manner as a mortgage on real estate. The lien of the Condominium Organization for unpaid Condominium Charges or water utility charges shall be governed by the provisions of Section 47-7C-16 NMSA 1978 (1995 Repl.).

10. The Condominium Organization shall have the ability to hire a property manager to collect and administer Condominium Charges and water utility charges.

XV.
LEGAL DESCRIPTION OF UNITS

1. Every contract for the sale of a Condominium Unit prior to the substantial completion of the Condominium Unit and prior to the filing for record of this Declaration may legally describe a Condominium Unit by its identifying unit number or letter followed by the words Casas Chamisas Condominiums Phase II with further reference to the plat and Declaration to be recorded.

2. Every deed, lease, mortgage, will or other instrument may legally describe a Condominium Unit by its identifying unit number or letter followed by the words Casas Chamisas Condominiums Phase II. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Condominium Unit or an interest therein

but also each Condominium Units undivided ownership interest in the Common Areas and facilities and limited Common Areas and facilities appurtenant thereto.

XVI.
AMENDMENT; TERMINATION; DURATION

1. Amendment and Termination. Any provision contained in this Declaration may be amended or additional provisions may be added to this Declaration, or this Declaration may be terminated or revoked, by the recording of a written instrument or instruments, specifying the amendment or additions or the fact of termination or revocation, in the office of the County Clerk of Sandoval County, New Mexico, executed by Owners owning in aggregate not less than the following percentage of undivided ownership interest in the Common Areas and facilities;

- A. 100% for termination or revocation; and
- B. 100% for amendment.

Upon such termination of condominium ownership, the undivided ownership interest of each Owner in the limited Common Areas and facilities shall then become his undivided ownership interest, as tenant-in-common, of his Condominium Unit as well as the Common and limited Common Areas and facilities.

2. Duration. It is understood that in the year 2035, this Declaration shall terminate and all Owners shall become tenants-in-common of their Condominium Unit and its appurtenant interest in the Common Areas and facilities, with each Owner having the interest specified in sub-section 1 of this section. The Association shall, not less than thirty (30) days, nor more than sixty (60) days, prior to the actual date of conversion to tenancy-in-common, call a meeting of all Owners. At such meeting, a vote shall be taken to decide the disposition of the Condominium Units committed to condominium ownership. A quorum at such meeting shall be a majority of the total outstanding votes of all Owners. At such meeting, the Owners, by majority vote, may vote to continue condominium ownership, in which case the restrictive covenants set forth herein shall be adopted for a period of an additional ten (10) years. The Association shall, not less than thirty (30) days nor more than sixty (60) days prior to the actual expiration of said ten (10) year period, call a meeting of all Owners. The Owners may then vote to continue condominium ownership for an additional ten (10) year period. This process shall be repeated at the end of each excessive ten (10) year period. Should less than a majority of the Owners vote to continue condominium ownership at any such meeting, then the Association shall take steps to discontinue condominium ownership, at which time the Association and each Owner shall have the right to take such action as is permitted by this Declaration and the laws of the State of New Mexico, including but not limited to filing a suit in a court of competent jurisdiction in Sandoval County, New Mexico, for partition, if permitted by applicable law.

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