

PLC COVENANTS & AMENDMENTS
THROUGH OCTOBER, 2009

12846

Certificate of Adoption
of Second Restated Declaration
of Condominium Ownership and
of Covenants, Conditions and Restrictions for
Pueblo Los Cerros Condominium

The attached Second Restated Declaration of Condominium Ownership and of Covenants, Conditions and Restrictions for Pueblo Los Cerros Condominium ("Declaration") was duly adopted at a meeting of Pueblo Los Cerros Unit Owners' Association ("Association") held January 8, 1994, as reflected in the minutes of the Association, and in accordance with the Condominium Act (N.M. Stat. Ann. §47-7A-1, et seq. (1978)) and the organizational documents of the Association. The Declaration is being re-recorded (i) to include Exhibits A and B to the Declaration, which exhibits are unchanged from the exhibits attached to the Amended and Restated Declaration of Condominium Ownership recorded November 9, 1982, in Book Misc. 149, pages 456-508, records of Sandoval County, New Mexico, as amended from time to time, and (ii) to include an acknowledgment, in the legally prescribed form, of signatures affixed to the Declaration on behalf of the Association.

PUEBLO LOS CERROS UNIT OWNERS' ASSOCIATION,
a New Mexico nonprofit corporation

By Matthew C. Lawrence
Its President

By Barbara D. Olim
Its Secretary

STATE OF NEW MEXICO)
COUNTY OF Sandoval) ss.

This instrument was acknowledged before me on April 13, 1998, by Matthew C. Lawrence, as President of PUEBLO LOS CERROS UNIT OWNERS' ASSOCIATION, a New Mexico nonprofit corporation.

Elizabeth H. Jones
Notary Public

My commission expires:

3-25-02

H:\JDH\11180\32834\CERTIF.DOC

STATE OF NEW MEXICO } SS COUNTY OF SANDOVAL }
This instrument was filed for record at A.M. P.M. on
3:28
MAY 28 1998
Recorded in Vol. <u>401</u>
of records of said county, folio <u>36564-36602</u>
By: <u>Melinda</u> Clk. & Recorder Deputy

36564

STATE OF NEW MEXICO)

COUNTY OF Sandoval) ss.

This instrument was acknowledged before me on April 13, 1998, by Barbara D. Allen, as Secretary of PUEBLO LOS CERROS UNIT OWNERS' ASSOCIATION, a New Mexico nonprofit corporation.

Elizabeth D. Young
Notary Public

My commission expires:

3-25-02

36565

**Second Restated Declaration Of Condominium Ownership
And Of Covenants, Conditions And Restrictions
For Pueblo Los Cerros Condominium**

(formerly Browood, a residential Cluster Housing Community)

Corrales, Sandoval County, New Mexico,

**Pursuant To The New Mexico Condominium Act
(Sections 47-7A-1 to 47-7D-20 N.M.S.A 1978).**

**As Restated
January 1994**

36566

STATE OF NEW MEXICO } ss COUNTY OF SANDOVAL }	
This instrument was filed for record on	
AT: 11:05	JAN 13 1994 A.M. P.M.
Recorded in Vol. <u>MISC. 303</u> of records of said county, folio <u>923-940</u> Sally Padilla, Clerk & Recorder By: <u>Deborah Brown</u> Deputy	

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Amendment to ART IV Sept 2002

See pages stamped 91545 - 91547

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See pages stamped 29653 et seq.

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I. DECLARATION AND DESCRIPTION

This Declaration completely restates and replaces the Declaration filed with the County Clerk of Sandoval County, New Mexico on November 9, 1982 in Volume Misc. 149 at folio 456-508 and all amendments thereto. This Declaration is made and submitted, effective as of the date it is filed for record in the Office of the County Clerk of Sandoval County, New Mexico, by Pueblo Los Cerros Unit Owners' Association (formerly Browood Unit Owners' Association), a nonprofit corporation, the "Declarant." This Declaration was approved by a majority vote of the Unit Owners of Pueblo Los Cerros Condominium.

The Property, located in the village of Corrales, Sandoval County, New Mexico, is completely described in the attached Exhibit A, or Final Plat, which is designated "As-built Pueblo Los Cerros," and in the attached Exhibit B, designated "Units, Common Areas, Facilities, and Ownership Percentage."

The Property is and shall be held, owned, sold, conveyed, encumbered, leased, occupied, and improved subject to the New Mexico Condominium Act and subject to the rights, privileges, easements, covenants, and restrictions set forth in this Declaration, which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the Property, their grantees, successors, assigns, heirs, and personal representatives.

II. DEFINITIONS

The following terms are defined for the purposes of this Declaration:

A. Association

The Pueblo Los Cerros Unit Owners' Association.

B. Board of Directors

The Board of Directors of the Association.

C. Common Elements (Common Areas and Facilities)

All land and facilities of the Property other than living units, including: 1. installations of central services, including water and sewer, which are located in common elements/areas, and all tanks, pumps, compressors and other apparatus necessary to operation of services; 2. community facilities such as clubhouse, tennis court, swimming pool, and such others as may be provided; 3. access, utility, and drainage easements.

D. Declarant

The Pueblo Los Cerros Unit Owners' Association.

E. Declaration

This instrument.

F. Eligible Insurer or Guarantor

Any person including governmental and quasi-governmental agencies, which insures or guarantees a first mortgage loan, or any portion thereof, creating a lien against any Unit provided that such insurer or guarantor has given the Association written notice of its insurance or guarantee setting forth its name and address and identifying the Unit, by number or address, subject to the mortgage it is insuring or guaranteeing.

G. Eligible Mortgagee

Any holder of a first mortgage lien against any Unit provided that such mortgagee has given the Association written notice of the mortgage setting forth its name and address and identifying the Unit, by number or address, which is subject to such first mortgage.

H. Free Standing Wall

A Free Standing Wall appurtenant to a Unit is any exterior wall including retaining walls enclosing or being utilized by a Unit or its limited common elements. All other walls are free standing walls not appurtenant to a Unit. A free standing wall appurtenant to a Unit may also be a party wall.

I. Party Wall

A Party Wall is any wall including retaining walls built as part of the original construction of more than one Unit, which 1) separates two Units, a Unit and a limited common element of another Unit or the limited common elements of two Units, or 2) acts as a common support for two Units, a Unit and a limited common element or two limited common elements. All party walls are also free standing walls appurtenant to a Unit.

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J. Patio Wall

A patio wall is a free standing wall appurtenant to a Unit forming the boundary of a limited common element being used as a patio.

K. Retaining Wall

A wall to keep a bank of earth from sliding or water from flooding.

L. Limited Common Areas/Elements

Those common areas so designated on the Final Plat which have been set aside in perpetuity for the exclusive use of the Owner of the corresponding Unit; that portion of a duct, wire or other fixture lying partly within and partly outside a Unit which serves only that Unit; and any ramada, doorstep, balcony or other fixture located outside a Unit but designated to serve only that Unit.

M. Majority

More than half.

N. Condominium Act

The New Mexico Condominium Act, Sections 47-7A-1, et seq., NMSA 1978 amended.

O. Property

The real property described in the attached Final Plat, with all improvements described in the Final Plat and the attached Exhibit B.

P. Rules and Regulations

Those adopted and amended from time to time by the Board of Directors relating to the administration of the Property.

Q. Unit

All or any part of a building or buildings located on the Property which is designed and intended for use as a single family dwelling including the garage whether or not it is attached to the dwelling as designated on the recorded site plan, and the floor plans of the units on the Property, as amended, which are filed in the Office of Sandoval County Clerk, Sandoval County, New Mexico. A Unit shall consist of the space enclosed by and shall include: (1) the exterior surface of the Free Standing Walls which are not Party Walls enclosing the Unit, (2) the center of any Party Walls enclosing the Unit, (3) the exterior surface of the roof covering the Unit which is bounded by the exterior surface of the Free Standing Walls which are not Party Walls and the center of any Party Walls which enclose the Unit, and (4) the floor or floor slab and land underneath the floor or floor slab which is enclosed by the exterior surface of the Free Standing Walls which are not Party Walls and the center of any Party Walls which enclose the Unit.

R. Unit Owner

The owner of record, whether one or more persons, of a fee simple absolute title or equitable interest to any Unit which is a part of the Property, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

III. PURPOSE OF THE PROPERTY

The purpose of the Property is to provide residential housing, parking, and other such facilities for Unit Owners, their respective families, tenants, guests, and domestic employees.

IV. COVENANTS AND RESTRICTIONS

The Unit and Common Areas and Facilities shall be occupied and used in accordance with the following covenants and restrictions:

A. Business Activity

Generally speaking, commercial businesses are not permitted that involve signs on the property, a steady stream of clients, noise, disturbance to neighbors, hazards to property, and which are not in compliance with Village Home Occupation Ordinances. Individual garage sales are not permitted, although once or twice a year the Board may sponsor an open garage sale.

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B. Obstruction of Common Areas

There shall be no obstruction of Common Areas and Facilities. Except in the case of storage areas designated by the Board of Directors, nothing shall be stored in the Common Areas or Facilities without the prior written consent of the Board.

C. Insurance Rates

Nothing shall be done (such as renting) or kept in any Unit or Limited Common Areas or in the Common Areas or Facilities which shall increase the rate of insurance on the Common Areas and Facilities or the Limited Common Areas without prior written consent of the Board of Directors. No waste products will be permitted in Common Areas.

D. Signs

No sign of any kind shall be displayed to public view or from any Unit or from the Limited Common Areas and Facilities except for an "Open House" sign during the actual open house day or the Village statutory notice of application for Home Occupation Permit.

E. Animals

Each Unit Owner may have no more than two (2) domestic pets (defined as cats/dogs). No other animals, livestock, or poultry of any kind shall be raised, bred, or kept in any Unit, the Limited Common Areas, or the Common Areas and Facilities. Dogs and cats must be on a leash whenever outside the enclosed Limited Common Areas or Units. Each pet owner is responsible for immediately picking up and disposing of any fecal matter deposited by that owner's pets on the grounds. Horseback riding is not allowed on the property.

F. Prohibited Activities

No noxious, dangerous or offensive activity shall be carried on in any Unit or in the Limited Common Areas or Common Areas and Facilities, nor shall anything be done either willfully or negligently therein which may be a hazard to property or become a disturbance to other Owners.

G. Maintenance, Alteration, and Repair of Units

Unit Owners shall not allow weeds, loose materials, trash and rubbish to accumulate within their Limited Common Areas, shall not allow inoperable or unregistered vehicles to remain on the Property, and shall do all things necessary and desirable in order to keep the exterior of their Units clean and in good order. Garbage shall be contained and removed only according to the Rules and Regulations.

In an effort to maintain a uniform and pleasing appearance within the community, only Board approved materials shall be used on all exterior surfaces. This includes, but is not limited to, painting, stucco, stucco patch, caulking, sun screens, storm/screen doors, garage doors, roof vents, and exterior lights.

No Unit Owner shall undertake any work which would jeopardize the soundness or safety of the Property, reduce the value or impair an easement or hereditament without the unanimous consent of all the Unit Owners. Structural alterations shall not be made by a Unit Owner to that Owner's Unit, or in the water, gas or sewer pipes, electrical conduits, plumbing or other fixtures, connected herewith; nor shall a Unit Owner modify or add any exterior features of the Unit without written consent of the Board of Directors.

H. Authorized Expenditure

Labor performed or materials furnished for the Common Areas and Facilities, if duly authorized by the Association, its agents or the Board of Directors in accordance with the Condominium Act, the Declaration and Bylaws, shall be deemed to be performed or furnished with the express consent of each Unit Owner and shall be the basis for filing a lien pursuant to law against each of the Units.

I. Alterations to Common Areas

Nothing shall be altered or constructed in, or removed from, and no natural or growing material or substances, except for normal landscape maintenance, shall be removed from, the Common Areas and Facilities except upon written consent of the Board of Directors.

J. Use of Common Areas

Each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, and subject to the Condominium Act, the Declaration, the Bylaws, and such Rules and Regulations as the Board of Directors may, from time to time, adopt.

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X K. Lease of Unit - see amendments Sept 2002 AND OCT 2009

No Unit Owner is permitted to lease that owner's Unit for transient or hotel purposes. No Unit may be leased for a period of less than thirty days. Any lease agreement is required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Bylaws, and the Rules and Regulations and must be reported to the Administration. Any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases are required to be in writing. Other than the foregoing, there is no restriction on the right of any Unit Owner to lease that owner's Unit.

L. Plantings

No Unit Owner may allow trees or shrubbery to extend beyond the highest roof line of the Unit. Trees or shrubs will not be allowed to obstruct other residents' views. No Unit Owner may remove, alter, or plant shrubbery, trees, flowers, etc. in or around any of the Common Areas or Facilities without first submitting full plans and drawings to the Board of Directors. No cottonwood trees are to be planted anywhere on the Property.

M. Window Coverings

All window and door curtains visible from the exterior of the buildings shall be of a light, muted color harmonious with the exterior and architecture of the buildings.

N. Vehicles

Commercial vehicles too large for garages, recreational vehicles, campers, trailers of all sorts, off-road vehicles and other oversized vehicles, or unlicensed vehicles, will not be permitted on the Property except in an area designated by the Board, or if the vehicle is parked entirely within the Unit Owner's garage with the garage door closed.

O. Antennas

Except with Board permission, antennas of any kind may not be placed in the Common Areas and Facilities, grounds or on the exterior or roof of any Unit.

P. Unit Pools and Ponds

Unit Owners may install a private swimming pool or pond or hot tub in the patio space of the Limited Common Area assigned to their Unit. Before beginning installation of the pool or pond, the Unit Owner shall notify the Board of Directors of the proposed installation and submit building plans. The Unit Owner shall obtain comprehensive liability insurance covering the pool or pond in an amount to be determined by the Board. The pool or pond shall be posted to the effect that persons enter the pool at their own risk and appropriate precautions shall be taken to prevent children from entering the pool or pond premises without the express permission or supervision of an adult companion. Unit Owners shall sign a disclaimer provided by the Board of Directors by which the Unit Owner acknowledges that the Association is not responsible for the safety of the pool or pond and is held harmless from any liability for any accident or injury which may occur in the pool or pond or on the pool or pond premises.

Q. Parking

Visitor parking areas are not to be used by the residents. Residents have exclusive rights to park their vehicles in the available parking areas immediately behind their individual garages.

R. Mufflers

Operation of motor vehicles without adequate mufflers is prohibited within Pueblo Los Cerros.

S. Taxation

Each Unit and its percentage of undivided interest in the common elements should be deemed to be a parcel and shall be subject to separate assessment and taxation for all types of taxes authorized by law including ad valorem levies and special assessments.

V. UNITS, COMMON AREAS AND FACILITIES, AND EASEMENTS

A. Units

The individually owned Units which comprise the living areas of Pueblo Los Cerros are completely described in the attached Final Plat and Exhibit B.

B. Ownership of Units

If any portion of any Unit encroaches on Common Areas because of the construction, reconstruction, repairing, settling, shifting, or movement of any portion of such Unit, the Unit Owner shall own a valid easement for the

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encroachment and for the maintenance of the encroaching portion of the Unit which shall exist as long as the encroachment shall exist.

No Unit Owner shall own any pipes, wires, conduits, public utility lines, or structural components running through that Owner's Unit and serving more than that Owner's Unit, except as a tenant in common with the Unit Owners who are being commonly served by any such component. However, portions of pipes, wires, etc. serving one Unit only are Limited Common Areas for that Unit. Each Unit Owner shall be responsible at that owner's own expense for maintaining and repairing any plumbing and mechanical systems or other structural components pertaining to that owner's Unit and Limited Common Area.

C. Ownership of Common Elements

Apportionment of interest in the Common Areas and Facilities is equally divided among the Units. This does not necessarily mean that all assessments for maintenance and repair are always divided equally (see NM Condominium Act 47-7C-15C,E).

D. Association's Right of Entry

The Association through its authorized agents shall have the right to enter any Unit in case of an emergency originating in or threatening any Unit. A Unit Owner shall permit entry into that Owner's Unit for the purpose of performing installations, alterations, or repairs to the mechanical, electrical, or utility services, or structure, which if not performed, would affect the use of other Units; provided, however, that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate.

E. Easements to Common Areas and Facilities

A blanket easement shall exist upon, across, over, and under all the Common Areas and Facilities and the Units for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewers, gas, telephones, effluent lift lines, and electricity. By virtue of this easement, it shall be expressly permissible for the utility company providing service to erect and maintain the necessary equipment on or within the Common Areas and Facilities and to affix and maintain electrical and/or telephone wires, circuits, and conduits, on and under the Common Areas and Facilities and the Units. An easement is further granted to all police, fire protection, ambulance, and all similar persons to enter upon the streets and Common Area in the performance of their duties. Further, an easement is hereby granted to the Association to enter in or to cross over the Common Areas and Facilities and units to perform duties of maintenance and repair of the Common Areas and Facilities. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Common Areas and Facilities except as approved by the Association. If any utility furnishing a service covered by the general easement set forth in this paragraph requests a specific easement, the Association may grant the same by a separate recordable instrument. The Association shall have the right to grant such easements within Common Areas and Facilities or Unit areas without conflicting with the terms of the Declaration or consent of the Unit Owners being required. The easement provided for in this paragraph, shall in no way affect or restrict any other recorded easement on the Common Areas and Facilities or Unit areas. Every Unit Owner by acceptance of deed does thereby create easements to the benefit of any Unit for natural drainage across that owner's roof or yard when necessary and shall not impede such drainage ways established during original construction. Future installations of utilities shall be made below ground in an unexposed manner where possible.

F. Unit Owner's Perpetual Right of Access

Each Unit Owner shall have and maintain a perpetual right of ingress and egress to and from that Owner's Unit which is appurtenant to the Unit and which cannot be disturbed.

G. Unit Owner's Easement of Enjoyment

Every Unit Owner shall have a right and easement of enjoyment in and to the Common Areas and Facilities which shall be appurtenant to and shall pass with the title of every Unit, subject to the right, restrictions and easements granted to the Association and any other person under the provisions of this Declaration.

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VI. WALLS

A. Party Walls

1. General Rules of Law Apply

To the extent consistent with the Declaration, the general rules of law regarding Party Walls and Liability for property damage due to negligent or willful acts or omissions will apply to the Party Walls.

2. Cost of Repair and Maintenance

The cost of maintenance and repair of a party wall which is not a retaining wall should be shared equally by the Unit owners whose Units make use of the party wall, provided that if the party wall is a retaining wall the cost of structural repair should be paid by the Association. Any Unit Owner who by negligent or intentional act causes a Party Wall to be exposed to damaging trees, shrubs, watering, elements, or by reason of inadequate maintenance, will bear the entire cost of furnishing the necessary protection for or repair of the Party Wall.

3. Destruction by Fire or Casualty

If a party wall is destroyed or damaged by fire or other casualty, the Unit Owner or Owners who have used the Party Wall shall restore it. The cost of restoration over and above any insurance proceeds used shall be shared equally by the Unit Owners who share the Wall after the applicable insurance settlements have been reached, provided that structural repairs not paid by insurance shall be paid by the Association. This provision shall not limit the right of any Unit Owner to call for a larger contribution from other Unit Owners under any rule of law regarding liability for negligent or intentional acts or omissions.

4. Right to Contribution Runs with Land

The right of any Unit Owner to repair, maintain, and restore a Party Wall, and to contribution from any other Owner of a Unit under this Section that is appurtenant to the Unit using the Party Wall passes to the Unit Owner's successors in title whether or not the documents conveying title specifically refer to the right. The accrued obligation to contribute a specific amount passes to a Unit owner's successor in title, but is a charge against or a lien on the Unit subordinate to the lien of any first mortgage.

5. Structural Repairs

The Board of Directors shall determine which repairs are structural.

B. Free Standing Walls

The Association shall be responsible for maintaining Free Standing Walls not appurtenant to any Unit insofar as need for repair or replacement is not caused by the negligence or willful conduct of a Unit Owner, in which event that Unit Owner shall be responsible for the repair or replacement of such wall. The Board of Directors shall determine which walls are free standing walls appurtenant to a Unit and which walls are free standing walls not appurtenant to a Unit.

C. Patio Walls

Patio walls shall be maintained and repaired by the owners of the Units to which the walls are appurtenant, provided that if the patio wall is a retaining wall, all costs of structural repair shall be the responsibility of the Association.

D. Retaining Walls

Retaining walls which are appurtenant to a Unit shall be maintained and repaired by the Unit owner or owners, but structural repairs shall be made by the Association. Retaining walls which are not appurtenant to a Unit shall be maintained and repaired by the Association.

VII. AGENT FOR SERVICE

The agent for service of any notice or process upon the Association shall be the Secretary of the Association, 1 Camino Los Cerros, Corrales, NM, 87048.

VIII. MAINTENANCE OF UNITS

A. Interior of Unit

Any Unit Owner may decorate and redecorate that Owner's Unit and make any improvements and alterations within the interior of that Owner's Unit, but not to Common Areas and Facilities. He shall have the right to paint, repaint, tile, wax, paper, or otherwise furnish or decorate any interior surfaces of the walls, partitions, ceilings and floors in that Owner's Unit. Nothing contained herein shall be deemed to permit a Unit Owner, without the prior written consent

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of the Board, to remove or alter a partition or load bearing wall or column located within that Owner's Unit which would damage, destroy, weaken or endanger the structural integrity of the building.

B. Exterior Maintenance

Each Unit Owner shall, at that owner's own cost and expense, maintain that Owner's Unit and the Limited Common Area assigned thereto. Each Unit Owner is responsible for the maintenance of the roof, exterior walls and other exterior surfaces of the building in which the unit is located, the deck, if any, which is assigned to that Owner's Unit and all Free Standing Walls appurtenant to that Owner's Unit.

This specification of ownership responsibility does not preclude the possibility of as many unit owners who so wish, in the interest of quality workmanship and uniformity, delegating the actual contracting and management of such repairs (together with the simultaneous repair of patio walls) to the Board of Directors of the Association with the costs being charged to individual owners on an equitable basis.

IX. AMENDMENT OF DECLARATION

The Declaration, including the Final Plat and Exhibit B, may be amended by vote or agreement of sixty-seven percent (67%) of the Unit Owners, and becomes effective upon being recorded in the County Clerks Office of Sandoval County, New Mexico, by the President or another officer authorized by the Board. The validity of the amendment may not be challenged more than one year after the amendment is recorded.

* X. REMEDIES FOR BREACH OF DECLARATION OR BYLAWS, RULES AND REGULATIONS, COVENANTS, CONDITIONS OR RESTRICTIONS

See Amendments Oct 2009

Each Unit Owner is bound to comply strictly with the Declaration, Bylaws, Rules and Regulations, Covenants, Conditions, and Restrictions applicable to the Property. In the event of any failure to comply, the Board of Directors, after notice and an opportunity to be heard, may levy reasonable assessment against an errant owner to cover the expense of curing the default and/or suspend services for violations, or, if it is appropriate, the Board, its authorized Agents, or aggrieved Unit Owner(s) may bring an action for damages, injunctive relief or any other legally cognizable form of action. In the event an action is brought for failure to comply as stated in this Section, the Board of Directors, its Agents, or aggrieved Owner(s) shall be entitled, upon prevailing by entry of judgment, to recover their reasonable attorney's fees incurred in bringing and maintaining the action.

XI. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and duties and, for the benefit of all the Unit Owners shall acquire and pay for the items described in this Section from the maintenance fund provided for under the terms of the Declaration.

A. Utilities.

1. The Board of Directors shall pay for water, sewer, waste removal, gas, electricity and other necessary utility service for Common Areas and Facilities.
2. The Board shall install and maintain water meters for each individual Unit. Each Unit Owner shall be assessed a monthly fee reflecting the cost of the water/sewage plant; a minimum usage of water is covered by this monthly fee. In addition, each Unit Owner shall be charged for water used in excess of the minimum according to a fixed rate per gallon. The monthly fee, minimum usage level and rate structure for excess consumption shall be set by the Board.

B. Obtaining Fire or Casualty Insurance.

1. The Board shall maintain property insurance on, and in an equal amount to the full replacement value of, the Common Areas and Facilities and the basic structure of all individual Units, exclusive of land, excavations, foundations and other items normally excluded from property policies. The full replacement value of the property covered shall be determined by the Board at the time the insurance is purchased and at each renewal date.
2. The policy shall protect the Property against loss from fire and other hazards covered by the standard extended coverage endorsement approved by the New Mexico Insurance Commissioner, and against loss from vandalism, water damage, and such other risks as may be customarily covered for properties similar in construction, location, and use.
3. If the insurance described above is not available, the Board shall notify all Unit Owners by U.S. Mail or hand delivery of that fact. The Board may then carry any other insurance it deems appropriate to protect the Association and Unit Owners.
4. Any policy obtained must provide that:

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- a. Each Unit Owner is an insured person under the policy with respect to liability arising out of that owner's interest in common elements or membership in the Association.
 - b. The insurer waives its right to subrogation under the policy against any Unit Owner or member of that owner's household.
 - c. No act or omission by any Unit Owner, unless acting within the scope of that owner's authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy.
 - d. If, at the time of a loss under the policy, there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.
 - e. There is an Agreed Amount or Inflation Guard Endorsement.
 - f. There is a maximum deductible limit of \$1000, if such deductible limit can be obtained at a reasonable cost.
5. An insurer that has issued an insurance policy shall issue certificates or memoranda on insurance to the Association and, upon written request, to a Unit Owner, mortgagee or beneficiary under deed of trust. The insurer issuing the policy may not cancel or refuse to renew it until thirty days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Unit Owner and each mortgagee or beneficiary under deed of trust to whom a certificate or memorandum of insurance has been issued at that owner's last known address.
 6. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for that owner's own benefit. Each Unit Owner should be aware that insurance carried by the Association does not cover furnishings or personal property on or inside of the interior walls (including wallpaper) and ceiling. Each Unit Owner shall be responsible, at each Owner's sole cost and expense, for maintaining such personal liability insurance as the Owner may desire, and no insurer under such policy shall be subrogated to or be permitted to require contribution from any policy of casualty or liability insurance maintained by the Board or Unit Owners.

C. Use of Fire or Casualty Insurance Proceeds.

Any loss covered by insurance must be adjusted with the Association, but the insurance proceeds for that loss will be paid to any insurance trustee designated for that purpose, or to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and lien holders as their interests may appear.

Pursuant to Section 47-7C-13 of the Condominium Act of New Mexico, if any insured portion of the Property is damaged or destroyed it shall be repaired or replaced promptly by the Association unless:

1. The Condominium is terminated by a vote of agreement by 80% of the Unit Owners and the assent of 67% of the mortgagees; or
2. Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or
3. Eighty percent of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild.

The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense to be borne by the Association or such individual Unit owners as may be responsible for maintenance or repair as elsewhere set forth herein.

If the fire or other casualty causes damage amounting to more than two-thirds of the value of a part or all of the Property, the Board of Directors shall call a special meeting of the Association, to decide whether to restore the Property, not to restore the Property, or to terminate the Condominium. If the damage is less than two-thirds, the Board, or 20% of Unit Owners, still have the option to call a meeting for the same purpose. At such meeting, the Association will also determine final disposal of property not to be restored.

If the Unit Owners decide to repair or replace the Property, then Unit Owners and lien holders are not entitled to receive payment of any portion of the insurance proceeds until after the Property has been completely repaired or restored.

If the decision is made to terminate the Condominium, then the Termination Agreement, the distribution of insurance proceeds, and the final disposition of the Property will be governed by the provisions of Section 47-7B-18 of the Condominium Act of New Mexico.

If the decision is made not to repair or replace some or all of the damaged property, or repair or replacement is forbidden by law, the insurance proceeds attributable to the damaged common element shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, and the insurance proceeds attributable to Units and limited common elements which are not rebuilt must be distributed to the owners of those Units and the

Declaration of Covenants, Conditions And Restrictions For Pueblo Los Cerros Condominium

owners of the Units to which those limited common elements are allocated, or to lien holders, as their interest may appear. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests are automatically reallocated upon the vote as if the Unit had been condemned under Section 47-7A-7A of the Condominium Act of New Mexico, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

D. Eminent Domain.

If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award shall compensate the Unit Owner for that Owner's Unit and interest in the common elements, whether or not any common elements are acquired. Upon acquisition, unless the Declaration otherwise provides, that Unit's allocated interests are automatically reallocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking, and the Association shall prepare, execute and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Unit remaining after a part of a Unit is taken is thereafter a common element.

The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements, or agreement with the condemning authority for acquisition of all or any part of the Common Areas and Facilities. Each Unit Owner upon purchase of that Owner's Unit automatically appoints the Association as attorney in fact for him for such purposes. The award shall be paid to the Association, and shall be appointed for the use and benefit of the Unit Owners as their interest may appear. Any portion of the award attributable to the acquisition of a limited common element shall be equally divided among the Owners of the Units to which that limited common element was allocated at the time of acquisition.

E. Liability Insurance.

The Board of Directors shall maintain public liability insurance covering all of the Common Areas and Facilities, insuring the Board of Directors and all Unit Owners in the amount of not less than \$1 million covering claims for personal injury and/or property damage. The coverage shall include protection against water damage liability, liability for nonowned and hired automobile, liability for property and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use; provided that such additional coverage is available for purchase at a reasonable cost and is approved by the Board of Directors.

F. Fidelity Insurance.

The Board of Directors shall maintain fidelity bond coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Board of Directors and all other who handle, or are responsible for handling funds of the Association. All such fidelity bonds shall name the Board of Directors as an obligee, and shall be written in an amount equal to at least 25% of the estimated annual operating expenses of the Board, plus all reserves. Such fidelity bonds shall also contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression, and shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice of the Board of Directors.

G. Assessments.

1. Creation of the Liens and Personal Obligation of Assessments.

Each Unit Owner by acceptance of a deed for the Unit (whether or not a provision is made in the deed) is deemed to covenant and agree to pay to the Association: (a) Annual Assessments on charges, and (b) Special Assessments. The Annual Assessment together with interest, costs, and reasonable attorneys fees shall be a charge on the land and shall be a continuing lien on the Unit against which each such assessment is made. Each such assessment, together with the interest, costs and attorneys fees shall also be the personal obligation of the Unit Owner who owned the Unit at the time the Assessment came due.

2. Creation of Common Expense Fund.

The Board of Directors shall establish a Common Expense Fund for the administration, maintenance, repair, replacement, and improvement of the Common Areas and Facilities, for the exercise and performance of its powers and duties, for the administration, maintenance, and operation of the Property, for the enforcement of the terms of the Declaration, for the operation of any water and sewer systems and for any other common expenses. The Common Expense Fund shall be funded by assessments paid by all Unit Owners. The Fund shall be administered on a calendar year basis.

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3. Creation of a Budget and Approval by Unit Owners.

Each year, on or before November 30, the Board of Directors shall estimate the Budget for the coming year. The Budget will consist of the Common Expense Fund, together with a reasonable amount considered by the Board to be necessary for a reserve for contingencies and replacements. The Board shall notify each Unit Owner in writing, not less than 14 or more than 30 days before the Annual or Special Meeting, of the amount of such estimate with reasonable itemization thereof. Unless a majority of all the Unit Owners at the Annual or Special Meeting, either present or by proxy, and regardless whether a quorum is present or not, reject the Budget, the Budget is ratified. In the event the proposed Budget is rejected, or for any reason a new Budget is not proposed, the periodic Budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent Budget proposed by the Board.

4. Determination and Collection of Assessments.

- a. For general budget purposes, including the maintenance and repair of border walls, all retaining walls, the clubhouse, swimming pool, tennis court, roads, and other common elements, assessments shall be figured equally.
- b. The insurance portion of the budget shall be assessed to the Unit Owners, based upon the square footage of living area of their units as a percentage of the total square footage of living area for all units.
- c. If included, the cost of repair of the stucco color coating of exterior walls of the unit, garage, and patio walls appurtenant to the unit shall be figured on the basis of the number of square yards of the surfaces of such walls being repaired.
- d. On or before January 1 of each year, and on the first of each of the following months for the remainder of the year, each Unit Owner shall be obligated to pay the Board one-twelfth (1/12) of the assessment of that owner's unit. The initial contribution under this subsection shall be made at closing.

5. Special Assessments.

In addition to the assessments authorized above, the Board, after a hearing at a public meeting, may levy Special Assessments in any year applicable to that year only for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the Common Areas and Facilities.

Extraordinary expenditures shall be charged first against the Reserve for contingencies and replacements. If said Reserve proves inadequate or will be too seriously depleted, the Board may at any time levy a Special Assessment. Such further assessment shall be of equal amounts for each Unit Owner, and become effective with the monthly payment which immediately follows. All Unit Owners shall be obligated to pay the adjusted monthly amount. The Board may also levy Special Assessments against one or more, but less than all Unit Owners, for good cause. The Board may levy a special assessment against such Unit Owners for the cost of maintenance or repair (see NM Condominium Act 47-7C-15C,E).

6. Management of the Common Expense Fund and the Reserve for Contingencies and Replacements.

On or before the date of the Annual meeting of each year, the Board of Directors shall supply to all Unit Owners, an itemized accounting of the common expenses for the preceding year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the Estimated Cash Requirement and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be carried over to the succeeding year or deposited in reserves, at the Board's discretion. At the Board's discretion, any net shortage shall be added in equal amounts to the installments due of each Owner in the succeeding months.

The Board shall keep full and correct detailed books of accounts and records in chronological order of the receipts and expenditures affecting the Common Areas and Facilities, specifying and itemizing the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. The records shall be available for inspection of any Unit Owner or any representative of any Unit Owner duly authorized in writing, at such reasonable time or times during the normal business hours as may be requested by the Unit Owner. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Unit Owner shall be furnished a statement of that owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

* 7. Collection of Assessments and Lien for Assessments.

See Amendments 36579
Oct. 2009

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Full payment of Association & Water-Sewer Fees is always due on the 1st (first) day of the month, whether or not a statement has been received by that date.

FULL PAYMENT: Full payment always implies the amount of the original billings plus any additional assessed fees and legal fees.

BOUNCED CHECKS: Any check returned for insufficient funds will cause an additional fee of \$20.00 to be assessed and posted on the next bill. A bounced check must be covered by cash or a cashiers check. In applying delinquency procedures, any resulting outstanding bill will be treated as though this check had not been written in the first place.

DELINQUENT DATE: If full payment is not received by the 7th (seventh) day of the month when due, it is considered delinquent. If the 7th falls on Saturday, Sunday, or a legal holiday, the next legal business day becomes the delinquent date. Once delinquent, the action taken depends upon whether or not the owner was delinquent last month.

IF NOT DELINQUENT LAST MONTH: If full payment is not postmarked or received at the clubhouse by the delinquent date, a late fee of \$10.00 will be assessed and posted on the next bill. A warning note and a copy of the "Payment and Delinquency Procedures" will also be attached.

Failure to receive a warning in no way affects the responsibility of the owner to pay on time and in full, nor does it affect any other action that might be taken to ensure full payment.

IF DELINQUENT LAST MONTH: If full payment is not received by the administration at the clubhouse office by the delinquent date, a late fee of \$10.00 for this month will be assessed and the water shut off on the morning of the 8th (eighth). If the 8th falls on a Saturday, Sunday, or a legal holiday, the water will be shut off on the morning of the next legal business day. Note carefully that it is no longer sufficient to postmark payment by the delinquent date -- the payment must be received by the administration at the clubhouse office. A reconnection fee of \$50.00 must be paid, along with full payment, before the water will be turned on.

If the account is still delinquent 7 (seven) days after the water has been shut off, legal proceedings will be filed with the Magistrate Court, a lien will be placed against the property, and a credit report will be filed with the appropriate agencies. The owner's name and the amount delinquent will be published in the next newsletter. All incurred expenses must be paid by the owner.

If the Board brings suit, there shall be added to that amount due the costs of the suit, together with the interest at the highest rate permitted by law, and reasonable attorney's fees to be fixed by the Court.

8. Subordination of the Lien to Mortgages.

The lien for assessments shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed on the Unit subject to the assessment. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer of a Unit shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien for such assessments.

H. Maintenance of Common Areas.

The Board of Directors shall have the exclusive right and duty to pay and acquire for the Common Areas and Facilities such maintenance, repair, replacement or modification as the Board deems necessary and proper or is mandated by the Declaration or by law, requiring such material, labor, insurance, etc. as are necessary; and to cause such additional improvements to be made a part of the Common Areas and Facilities as will improve the welfare and enjoyment of all Unit Owners.

I. Maintenance of Units.

The Board of Directors shall have the right to pay for the maintenance and repair of any Unit, if such maintenance or repair is necessary in the reasonable discretion of the Board to protect or preserve any other portion of the Unit or any other Unit, and the maintenance of the value of the Property, and the Unit Owner had failed or refused to perform the necessary maintenance or repair within a reasonable amount of time after written notice thereof is delivered by the Board to the Unit Owner. The Board of Directors shall levy a special assessment against such Unit Owner for the cost of the maintenance or repair.

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J. Rules and Regulations.

The Board of Directors may adopt such reasonable Rules and Regulations as it deems advisable for the maintenance, conservation, and beautification of the Property, and for the health, comfort, safety, and general welfare of the Unit Owners and Occupants of the Property. Written notice of the Rules and Regulations shall be given to all Unit Owners and Occupants, and the Property shall at all times be maintained subject to such Rules and Regulations.

K. Parking.

The Association, through the Board of Directors or its agents, shall provide for each Unit, the use of at least one parking space on the Property. Each Unit shall have the exclusive right to use the parking space in the Common Area directly behind the Unit Owner's garage. Parking in areas along Camino Los Cerros are for the use of guests only.

L. Management.

The Board of Directors may enter into management agreements with a third party, delegating to such third party manager such of its responsibilities and duties as the Board deems fit under such terms and conditions as the Board deems to be in the best interest of the Association. In no case may the Board relinquish its ultimate responsibility, authority, or control of financial assets, investments, and bank accounts.

M. Employment.

The Board of Directors may employ and determine salaries of any maintenance, security, landscaping or other personnel whom the Board may deem appropriate for the support, administration, or maintenance of the Property. The Board may terminate such personnel at its discretion.

XII. GENERAL PROVISIONS

The following general provisions shall govern the administration and management of the Property:

A. Copies to Mortgage Holder

Upon written request to the Board, the holder of any duly recorded mortgage or deed of trust against any Unit shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Unit Owner whose Unit Ownership is subject to such mortgage or deed.

B. Notices

Notices required to be given to the Board or the Association must be delivered to each member of the Board either personally or by mail.

C. Notices to Deceased Unit Owner

Notices required to be given any devisee or personal representative of a deceased Unit Owner must be delivered either personally or by mail to such party at the address appearing in the records of the Court wherein the estate of such deceased Owner is being administered.

* D. Resale of Units

See Amendments Oct. 2009

1. A unit owner shall furnish to a purchaser before conveyance a copy of the declaration, other than the plats and plans, the Bylaws, the rules or regulations of the Association and a resale certificate from the Association containing:
 - a. a statement disclosing the existence and terms of any right of first refusal or other restraint on the free alienability of the unit;
 - b. a statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;
 - c. a statement of any other fees payable by unit owners;
 - d. a statement of any capital expenditures anticipated by the association for the current and two next succeeding fiscal years;
 - e. a statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the Association for any specified projects;
 - f. the most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
 - g. the current operating budget of the association;
 - h. a statement of any unsatisfied judgments against the Association;

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- i. a statement describing any insurance coverage provided for the benefit of the unit owners; and
 - j. a statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal thereof.
2. The Association, within ten working days after receipt of a written request by a unit owner, shall furnish a certificate containing the information necessary to enable the unit owner to comply with this section.

E. Acceptance of Declaration

Each new Unit Owner, by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens, and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved, or declared and all impositions and obligations hereby imposed, shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such Unit Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

F. Waiver

No covenants, restrictions, conditions, obligations, or provisions contained in the Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

G. Designation of Mortgagee by Unit Owners

Following acceptance of a deed of conveyance, a new unit owner shall, within three (3) days, provide the Association with the name and address of their mortgagee(s), if any. Owners shall notify the Association of any changes in their mortgage company. A unit owner who owns the unit free and clear shall so notify the Association.

H. Audited Financial Statement

The holder of any first mortgage shall be entitled to have an audited financial statement for the immediate preceding calendar year to be prepared at the mortgagee's expense if one is not otherwise available. And such requested financial statement shall be furnished to the requesting party within a reasonable time following request.

I. Severability and Applicable Law

Invalidation of any one of these Covenants by Judgment or Court Order shall in no way affect any other provisions which shall remain in full force and effect, unless this paragraph is invalidated, in which case an amended Declaration must be filed. The Declaration and all of its attachments shall be construed in accordance with the laws of the State of New Mexico.

XIII. LITIGATION

A. Expenses

If any action is brought by one or more, but less than all Unit Owners on behalf of the Association or against the Association and recovery is had, the plaintiff's expenses including any attorneys fees awarded, shall be a common expense subject to the provisions of sub-paragraph "F" below on indemnification. However, if such action is unsuccessful, then the plaintiff's expenses, including attorney's fees, shall *not* be charged to or borne by the other Unit Owners, as a common expense or otherwise.

B. Complaints Against The Association By Third Parties

Complaints by third parties brought against the Association, the Board of Directors or the Officers, employees, or Agents thereof, in their respective capacities as such or the Property as a whole, shall be directed to the Board of Directors, which shall promptly give written notice thereof to the Unit Owners and any mortgagees and shall be defended by the Association. The Unit Owners and mortgagees shall have no right to participate other than through the Association in such defense. The costs and expenses thereof including any judgement rendered against or settlements made by the Association shall be a common expense subject to the provisions of sub-paragraph "F" below on indemnification.

C. Complaints Against Unit Owners By Third Parties

Complaints against one or more, but less than all Unit Owners, shall be directed to such Unit Owners, who shall promptly give written notice thereof to the Board of Directors and to the mortgagees affecting such Units, and shall be defended and all costs and expenses thereof paid for by such Unit Owners.

* D. Alternative Dispute Resolution

See amendments Oct. 2009

It shall be a prerequisite to the institution of any legal action under this Declaration that the prospective parties to such litigation enter into good faith efforts to mediate the issues contemplated by the prospective litigation.

* E. Majority Vote

See amendments Oct. 2009

Litigation shall not be initiated on behalf of the Association or Board of Directors without the consent of a majority of votes of Unit Owners present at a meeting wherein a quorum is established, although individual Unit Owners may bring actions in their name against other Unit Owners for such remedies as may be provided by law.

F. Indemnification

The Association shall indemnify any director or officer or former director or officer against any amounts paid to satisfy a judgment or to compromise or settle a claim, reasonable expenses, costs and attorney's fees actually or reasonably incurred by that person in connection with the defense of any action, suit or proceeding, civil or criminal in which that person is made a party by reason of being or having been a director or officer, provided that person shall not be indemnified if liability is found to have existed as the result of the breach or failure to perform the duties of the office held by that person and the breach or failure to perform constituted willful misconduct or recklessness.

G. Attorney's Fees

The successful party in any litigation between the Association and a Unit Owner shall be entitled to an award for its reasonable expenses and attorney's fees.

XIV. RIGHTS OF ELIGIBLE MORTGAGEES AND ELIGIBLE INSURERS AND GUARANTORS

A. Right to Notice

The Association shall provide all Eligible Mortgagees and all Eligible Insurers and Guarantors with timely written notice of the following:

1. Any condemnation loss or any casualty loss which affects a material portion of the Property or any Unit which is subject to a first mortgage held, insured, or guaranteed by any Eligible Mortgagee or any Eligible Insurer or Guarantor.
2. Any delinquency in the payment of monthly Assessments, Special Assessments or other charges due the Association by a Unit Owner which is subject to a first mortgage held, insured or guaranteed by an Eligible Mortgagee or Eligible Insurer or Guarantor and which delinquency remains unresolved for a period of sixty (60) days or more.
3. Any lapse, cancellation or substantial modification to the amount or scope of any insurance policy or fidelity bond which the Association is required to procure and maintain.
4. Any proposed action which would require the consent or approval of a specified percentage of Eligible Mortgagees.

B. Approval Rights of Eligible Mortgagees

The prior written approval of sixty-seven (67) percent of the Eligible Mortgagees (based on one vote for each first mortgage held against a Unit) shall be required before the Association shall be entitled to do any of the following:

1. By act or omission seek to abandon or terminate the Property. In addition to the approval of Eligible Mortgagees, 80% of all Unit Owners must vote, in person or by proxy, to abandon or terminate the Property at a special meeting called pursuant to the Bylaws, except in the case of taking of all Units by eminent domain.
2. Change the Percentage Ownership Interest appurtenant to any Unit for purposes of (a) levying assessments or charges, or (b) allocating distribution of insurance proceeds. However, this restriction shall not apply if a reallocation of the Percentage Ownership Interest is made after a partial condemnation of one or more, but less than all, the Units.
3. Partition or subdivide any Unit.
4. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas and Facilities, or any portion thereof, except with respect to easements for utilities or other public purposes consistent with the intended use of such Common Areas and Facilities.
5. Distribute insurance proceeds resulting from casualty or peril insured by the Association for purposes other than restoration, repair or replacement of the Property so damaged or destroyed, except in cases where the decision is made not to repair or replace property, or repair or replacement is forbidden by law (see Section XI-C).

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C. Amendments To Declaration

This Declaration may only be amended as provided in the Condominium Act. The prior written approval of fifty-one (51) percent of the Eligible Mortgagees (based on one vote for each first mortgage held against a Unit) shall be required to add to or amend any material provisions of the Declaration which establish, provide for, govern or regulate any of the following:

1. Voting.
2. Assessments, assessment liens or the subordination of such liens.
3. Reserves for maintenance, repair or replacement of the Common Areas and Facilities.
4. Insurance or Fidelity Bonds.
5. Rights to use the Common Areas and Facilities.
6. Responsibility for maintenance and repair of the Property, or any portion thereof.
7. Contraction of the Property or withdrawal of property from the Property.
8. The boundaries of any Unit.
9. The ownership interest in the Units and Common Areas and Facilities.
10. The convertibility of Units into Common Areas and Facilities or of Common Areas and Facilities into Units.
11. The leasing of Units.
12. The imposition of any right of first refusal or similar restriction the right of an Owner to sell, transfer, encumber or otherwise convey that Owner's Unit.
13. Any provisions for the express benefit of mortgages having lien against any Unit or Eligible Insurers and Guarantors.

Notwithstanding the foregoing, no addition or amendment to the Declaration shall be considered material if it is for the purpose of adding any property to the scheme of the Declaration, for correcting technical errors, for clarification only, or for the Association to obtain FNMA or FHLMC approval. Further, any Eligible Mortgagee who receives a written request to approve any addition or amendment subject to this Section and who fails or neglects to deliver or mail a negative written response within thirty (30) days after such receipt, shall be deemed to have approved such request for each mortgage held by such Eligible Mortgagee.

PUEBLO LOS CERROS UNIT OWNERS' ASSOCIATION

Roger A. Due

Roger Due, President

A. R. Rustebakke

A. R. Rustebakke, Secretary

January 8, 1994

Date

Legueta Bastien

1-5-95

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APPROXIMATELY
1967-1968 AT A 101 UNIT FIVE-SEVEN POSITION
FROM THE FIRST REPORT TO THE SECOND
IN THE SECOND YEAR.
THE FIRST SUBMISSION WAS FROM THE 101
UNIT, 101ST, 1967.

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CLASSICS

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PHYLOSPIN 1000

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ATTACHMENT

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THE PROPERTY

The Property which is subject to the provisions of this Declaration is located in Sandoval County, New Mexico, and is particularly described as follows:

A certain parcel of land situate within Section 32, T.12 N.; R.3 E.; N.M.P.M., Sandoval County, New Mexico, being identified as a portion of the westerly extension of Tracts 3-b and 4-b, lying west of the Corrales Main Canal as the same is shown and designated on the Middle Rio Grande Conservancy District Property Map, No. 17, and being more particularly described by metes and bounds as follows:

BEGINNING at a point on the northerly line of said Tract 3-b and the northeast corner of the parcel herein described; thence the north one-quarter section corner of Section 4, T.11 N., R.3 E.; N.M.P.M. bears S 77° 40' 56" E., a distance of 6010.78 feet;

thence S 25° 32' 30" W., a distance of 125.00 feet to a point;

thence S 00° 35' 42" E., a distance of 91.29 feet to a point on curve;

thence Southwesterly, a distance of 64.29 feet along the arc of a curve bearing to the left (said arc having a radius of 605.00 feet and a chord which bears S 86° 21' 39" W., a distance of 64.26 feet) to a point of tangency;

thence S 83° 19' 00" W., a distance of 80.89 feet to a point of curvature;

thence Northwesterly, a distance of 124.31 feet along the arc of a curve bearing to the right (said arc having a radius of 328.82 feet and a long chord which bears N 85° 35' 00" W., a distance of 123.53 feet) to a point of tangency;

thence N 74° 29' 00" W., a distance of 22.45 feet to a point of curvature;

Exhibit A

thence Northwesterly, a distance of 79.16 feet along the arc of a curve bearing to the right (said arc having a radius of 401.96 feet and a chord which bears N 68° 52' 10" W., a distance of 79.04 feet) to a point on curve;

thence S 25° 34' 30" W., a distance of 103.79 feet to a point on the southerly line of said Tract 4-b;

thence N 64° 25' 30" W., a distance of 503.00 feet along said southerly line of Tract 4-b to a point;

thence N 15° 48' 58" W., a distance of 164.15 feet to a point on curve;

thence Northeasterly, a distance of 179.51 feet along the arc of a curve bearing to the left (said arc having a radius of 465.00 feet and a chord which bears N 69° 42' 43" E., a distance of 178.40 feet) to a point of tangency;

thence N 58° 39' 08" E., a distance of 114.61 feet to a point of curvature;

thence Northeasterly, a distance of 143.04 feet along the arc of a curve bearing to the right (said arc having a radius of 135.00 feet and a chord which bears N 87° 05' 49" E., a distance of 128.60 feet) to a point on curve;

thence N 25° 32' 30" E., a distance of 31.00 feet to a point on said northerly line of Tract 3-b;

thence S 64° 27' 30" E., a distance of 611.99 feet along said northerly line of Tract 3-b to the northeast corner and point of beginning of the parcel herein described and containing 7.071 acres more or less.

(hereinafter called the Property.) An amended plat of the Property, and the floor plans showing the living areas of the Units, is attached hereto and incorporated herein by this reference.

Architectural drawing showing a floor plan and elevations of a building. The plan includes dimensions and room layouts. The elevations show the building's facade with a grid pattern.

FLOOR PLAN

Overall dimensions: 24'-0" x 24'-0"

Room layouts and dimensions:

- Room 1: 12'-0" x 12'-0"
- Room 2: 12'-0" x 12'-0"
- Room 3: 12'-0" x 12'-0"
- Room 4: 12'-0" x 12'-0"
- Room 5: 12'-0" x 12'-0"
- Room 6: 12'-0" x 12'-0"
- Room 7: 12'-0" x 12'-0"
- Room 8: 12'-0" x 12'-0"
- Room 9: 12'-0" x 12'-0"
- Room 10: 12'-0" x 12'-0"
- Room 11: 12'-0" x 12'-0"
- Room 12: 12'-0" x 12'-0"
- Room 13: 12'-0" x 12'-0"
- Room 14: 12'-0" x 12'-0"
- Room 15: 12'-0" x 12'-0"
- Room 16: 12'-0" x 12'-0"
- Room 17: 12'-0" x 12'-0"
- Room 18: 12'-0" x 12'-0"
- Room 19: 12'-0" x 12'-0"
- Room 20: 12'-0" x 12'-0"
- Room 21: 12'-0" x 12'-0"
- Room 22: 12'-0" x 12'-0"
- Room 23: 12'-0" x 12'-0"
- Room 24: 12'-0" x 12'-0"
- Room 25: 12'-0" x 12'-0"
- Room 26: 12'-0" x 12'-0"
- Room 27: 12'-0" x 12'-0"
- Room 28: 12'-0" x 12'-0"
- Room 29: 12'-0" x 12'-0"
- Room 30: 12'-0" x 12'-0"
- Room 31: 12'-0" x 12'-0"
- Room 32: 12'-0" x 12'-0"
- Room 33: 12'-0" x 12'-0"
- Room 34: 12'-0" x 12'-0"
- Room 35: 12'-0" x 12'-0"
- Room 36: 12'-0" x 12'-0"
- Room 37: 12'-0" x 12'-0"
- Room 38: 12'-0" x 12'-0"
- Room 39: 12'-0" x 12'-0"
- Room 40: 12'-0" x 12'-0"
- Room 41: 12'-0" x 12'-0"
- Room 42: 12'-0" x 12'-0"
- Room 43: 12'-0" x 12'-0"
- Room 44: 12'-0" x 12'-0"
- Room 45: 12'-0" x 12'-0"
- Room 46: 12'-0" x 12'-0"
- Room 47: 12'-0" x 12'-0"
- Room 48: 12'-0" x 12'-0"
- Room 49: 12'-0" x 12'-0"
- Room 50: 12'-0" x 12'-0"
- Room 51: 12'-0" x 12'-0"
- Room 52: 12'-0" x 12'-0"
- Room 53: 12'-0" x 12'-0"
- Room 54: 12'-0" x 12'-0"
- Room 55: 12'-0" x 12'-0"
- Room 56: 12'-0" x 12'-0"
- Room 57: 12'-0" x 12'-0"
- Room 58: 12'-0" x 12'-0"
- Room 59: 12'-0" x 12'-0"
- Room 60: 12'-0" x 12'-0"
- Room 61: 12'-0" x 12'-0"
- Room 62: 12'-0" x 12'-0"
- Room 63: 12'-0" x 12'-0"
- Room 64: 12'-0" x 12'-0"
- Room 65: 12'-0" x 12'-0"
- Room 66: 12'-0" x 12'-0"
- Room 67: 12'-0" x 12'-0"
- Room 68: 12'-0" x 12'-0"
- Room 69: 12'-0" x 12'-0"
- Room 70: 12'-0" x 12'-0"
- Room 71: 12'-0" x 12'-0"
- Room 72: 12'-0" x 12'-0"
- Room 73: 12'-0" x 12'-0"
- Room 74: 12'-0" x 12'-0"
- Room 75: 12'-0" x 12'-0"
- Room 76: 12'-0" x 12'-0"
- Room 77: 12'-0" x 12'-0"
- Room 78: 12'-0" x 12'-0"
- Room 79: 12'-0" x 12'-0"
- Room 80: 12'-0" x 12'-0"
- Room 81: 12'-0" x 12'-0"
- Room 82: 12'-0" x 12'-0"
- Room 83: 12'-0" x 12'-0"
- Room 84: 12'-0" x 12'-0"
- Room 85: 12'-0" x 12'-0"
- Room 86: 12'-0" x 12'-0"
- Room 87: 12'-0" x 12'-0"
- Room 88: 12'-0" x 12'-0"
- Room 89: 12'-0" x 12'-0"
- Room 90: 12'-0" x 12'-0"
- Room 91: 12'-0" x 12'-0"
- Room 92: 12'-0" x 12'-0"
- Room 93: 12'-0" x 12'-0"
- Room 94: 12'-0" x 12'-0"
- Room 95: 12'-0" x 12'-0"
- Room 96: 12'-0" x 12'-0"
- Room 97: 12'-0" x 12'-0"
- Room 98: 12'-0" x 12'-0"
- Room 99: 12'-0" x 12'-0"
- Room 100: 12'-0" x 12'-0"

ELEVATIONS

Overall dimensions: 24'-0" x 24'-0"

WALTER J. WOOD, INC.

497

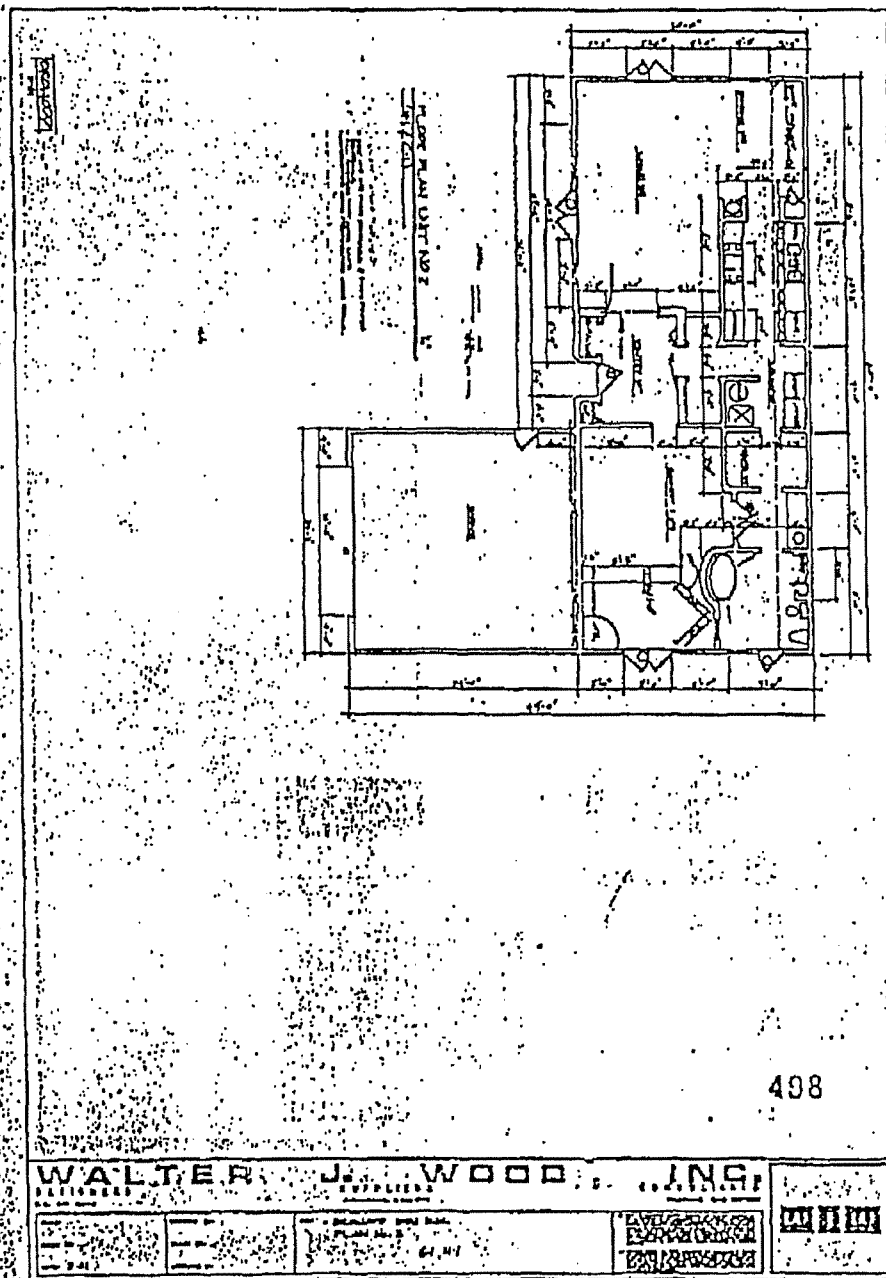
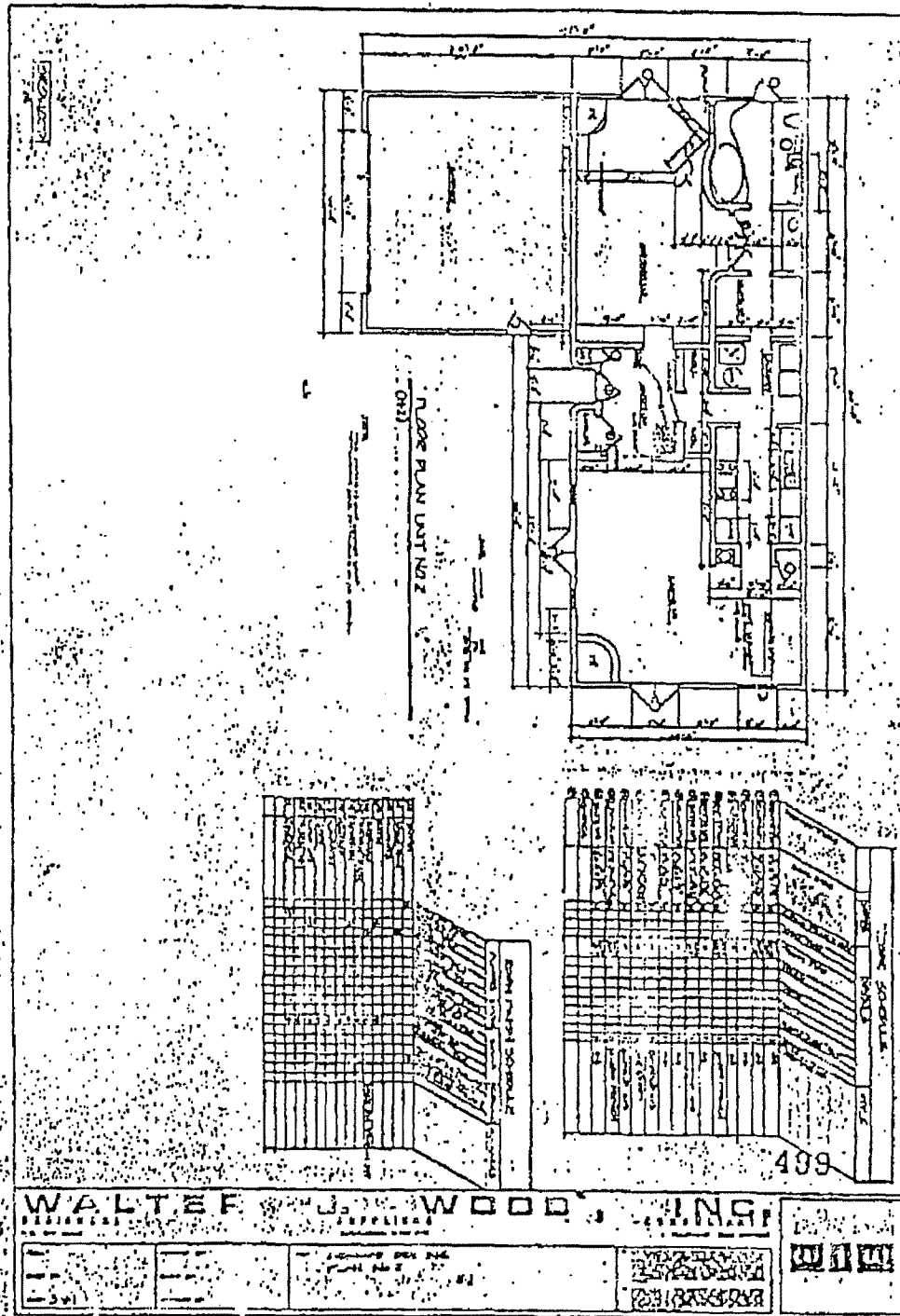


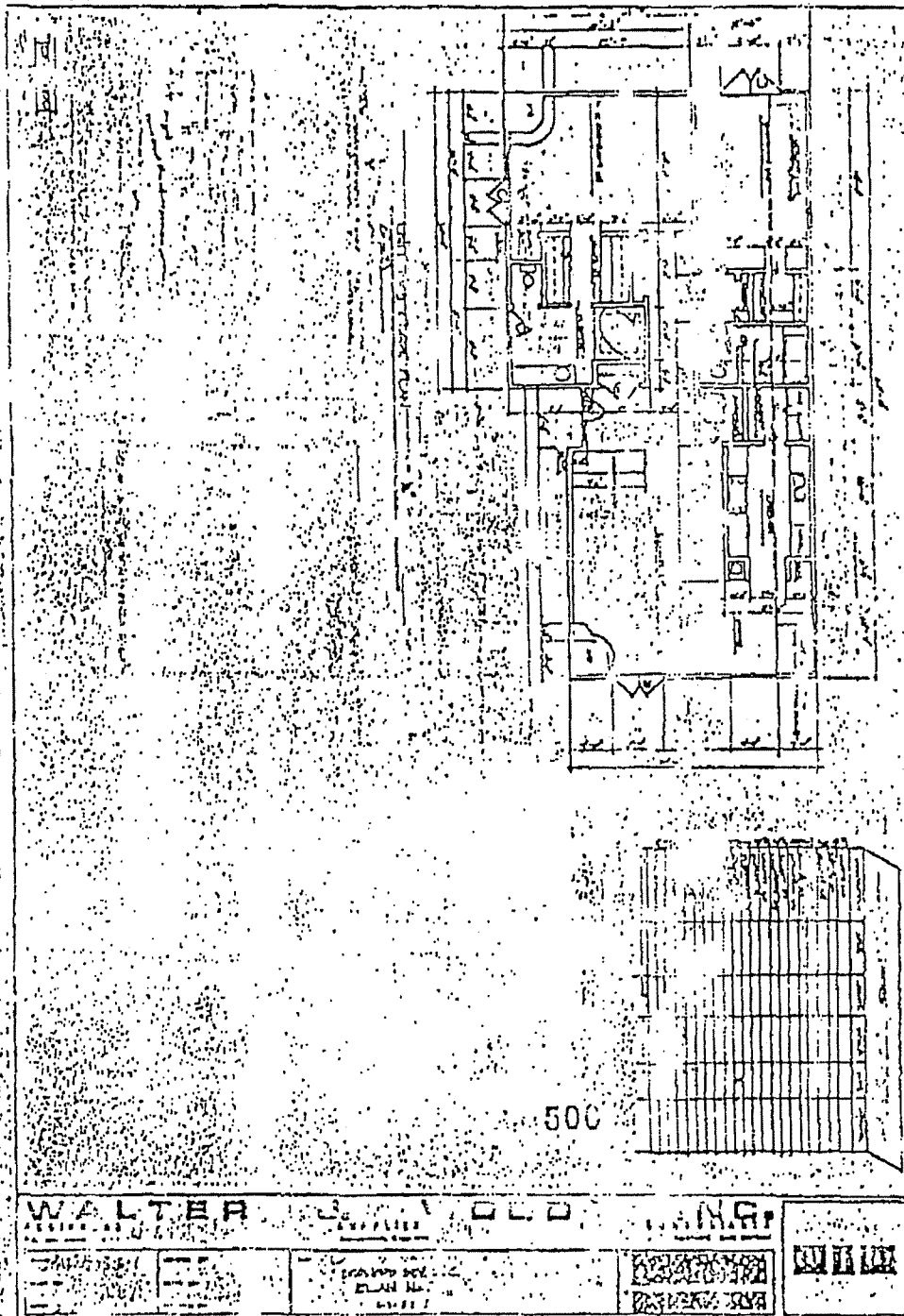
Exhibit A

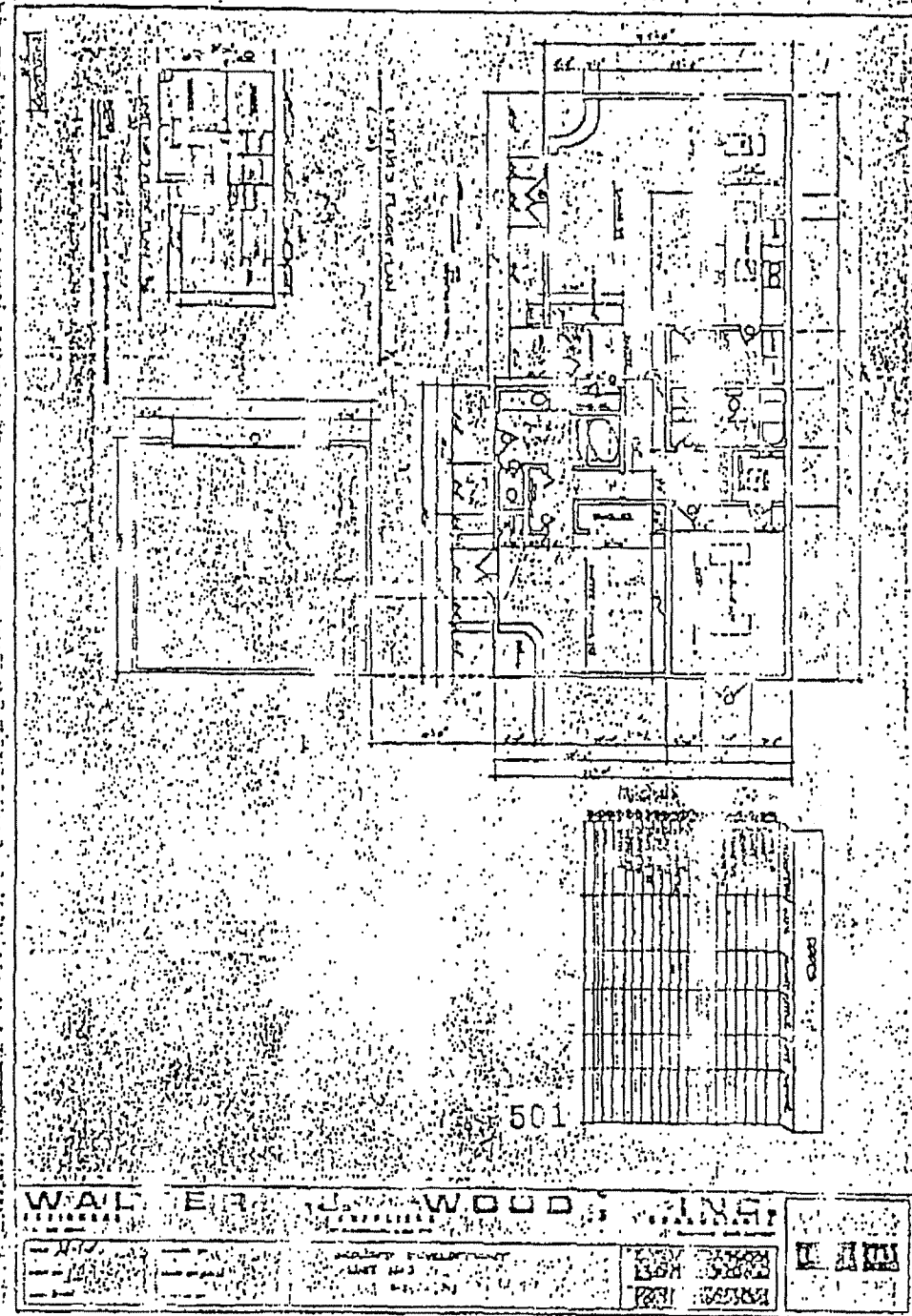


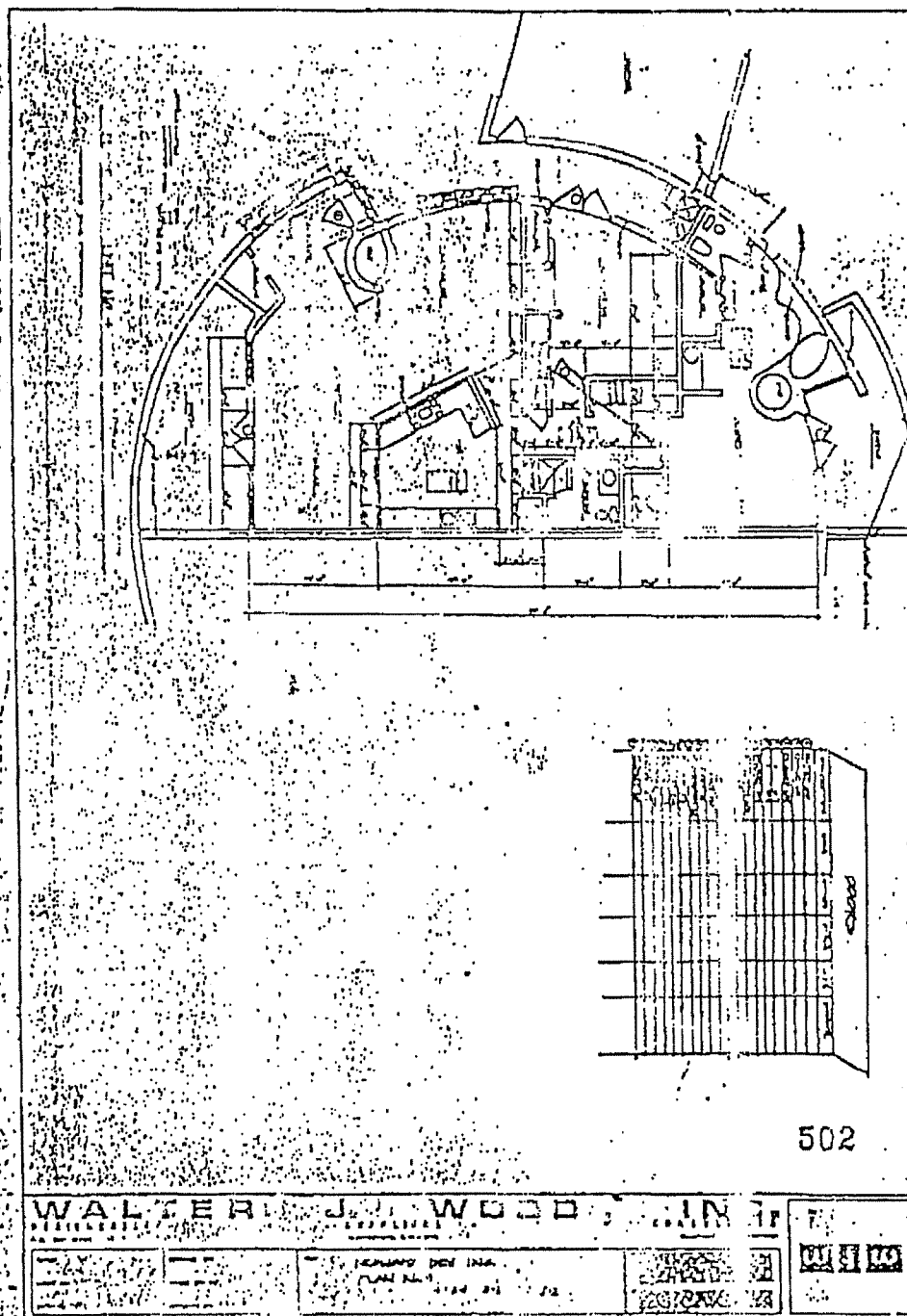
Architectural drawings of a building, including a floor plan and two elevations. The floor plan shows a large central hall with a staircase, several rooms, and a kitchen area. The elevations show the exterior walls with windows and doors. The drawings are labeled "FLOOR PLAN UNIT NO. 2" and "ELEVATION".

36590

Exhibit A







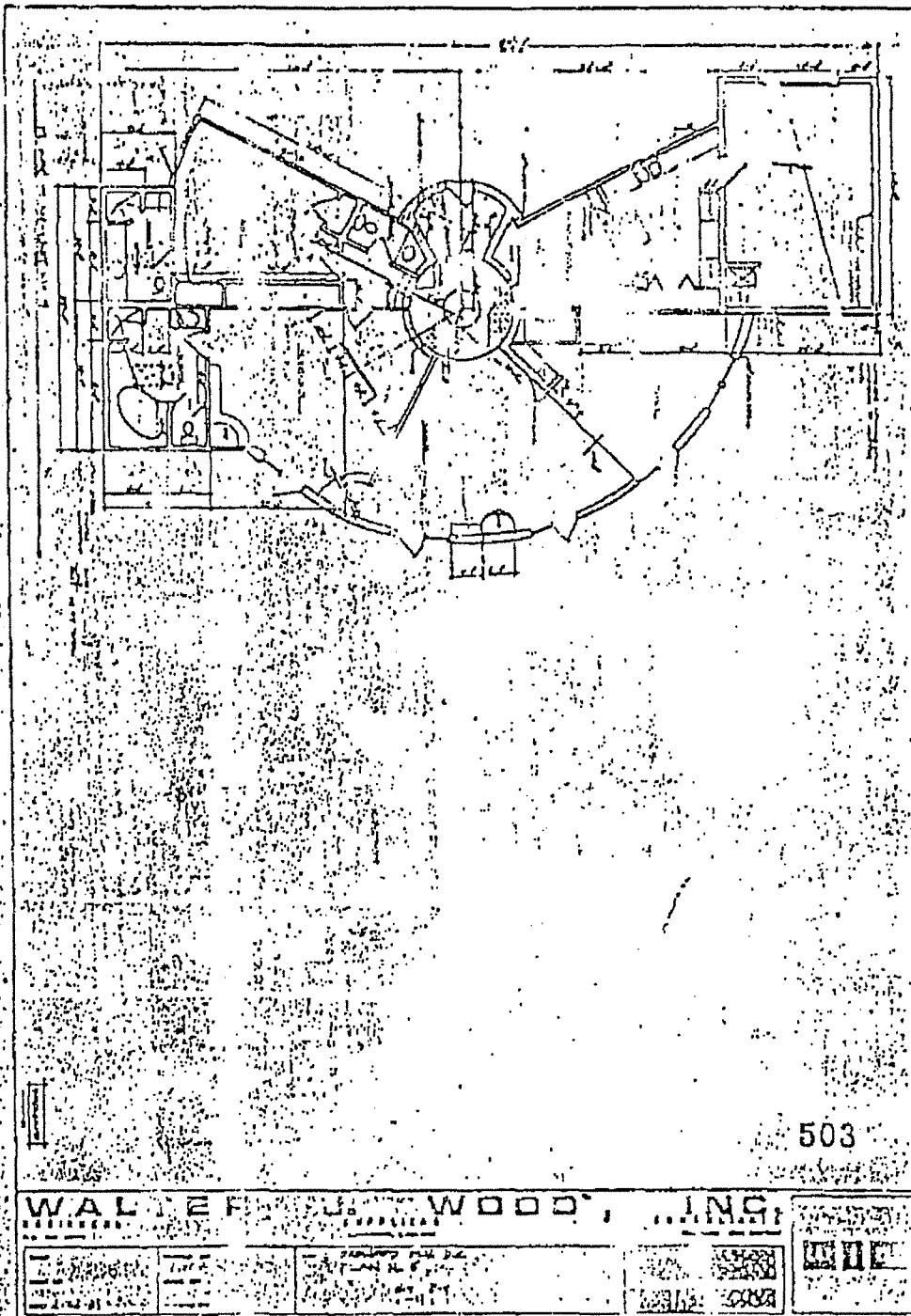


Exhibit A

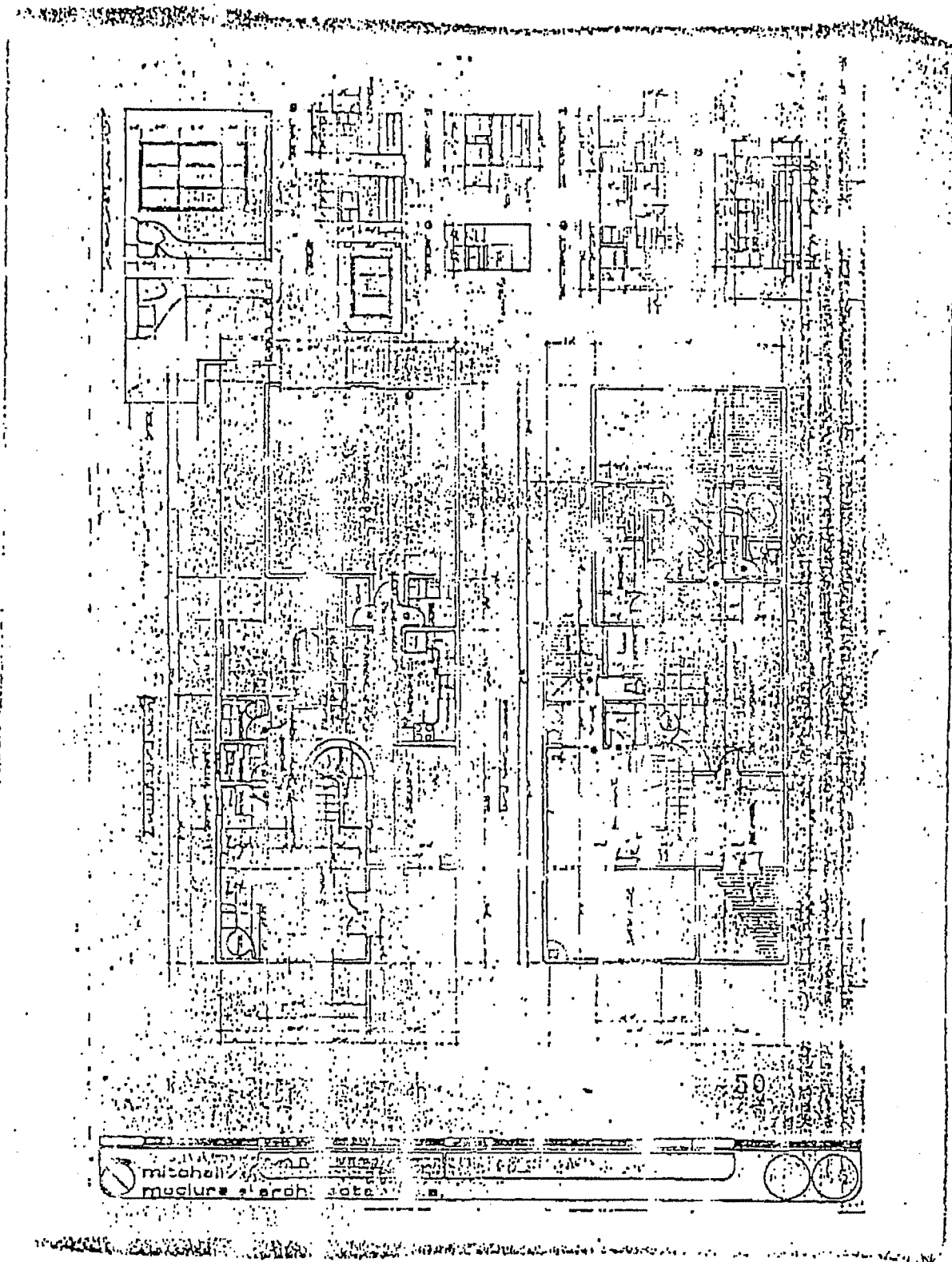
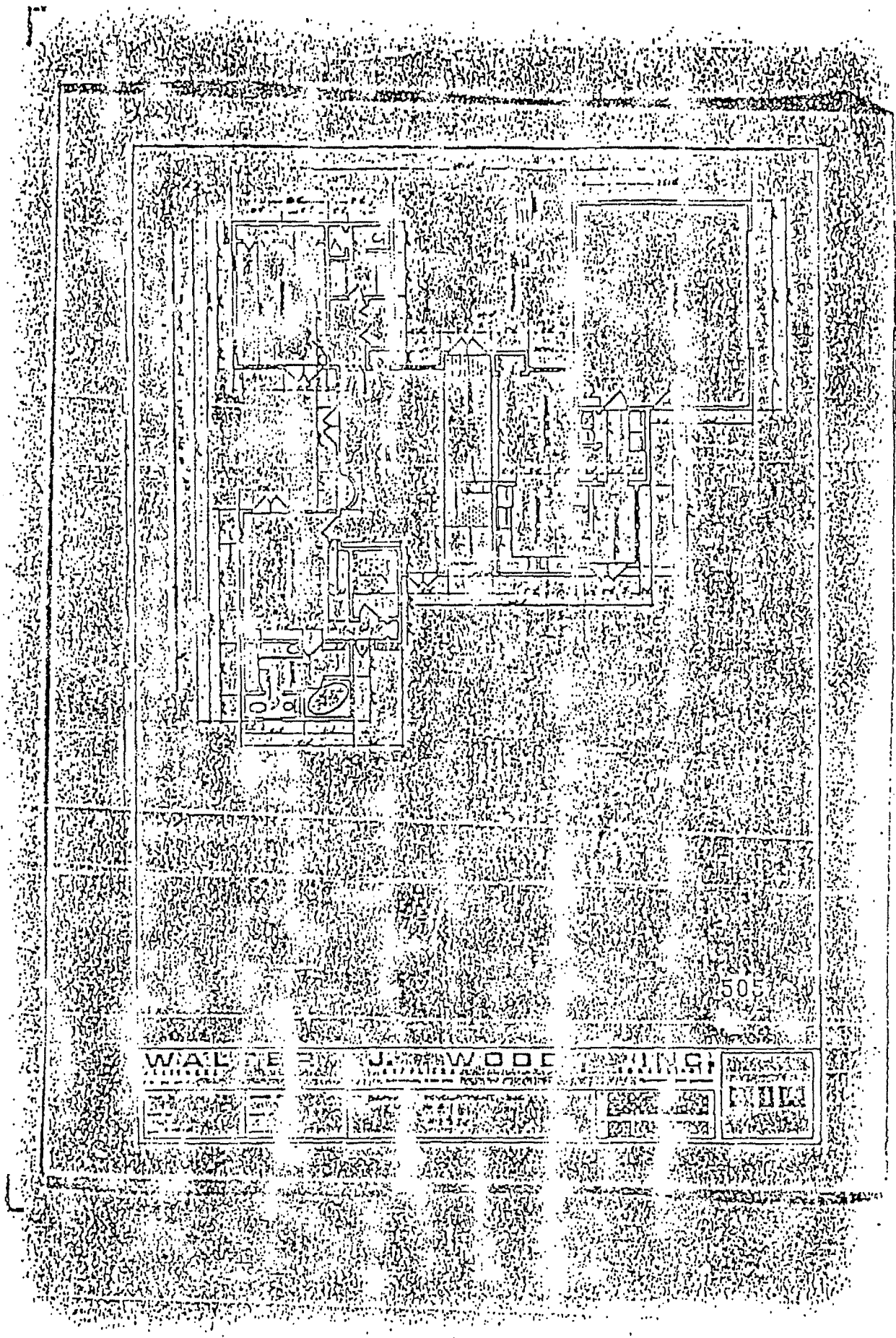


Exhibit A



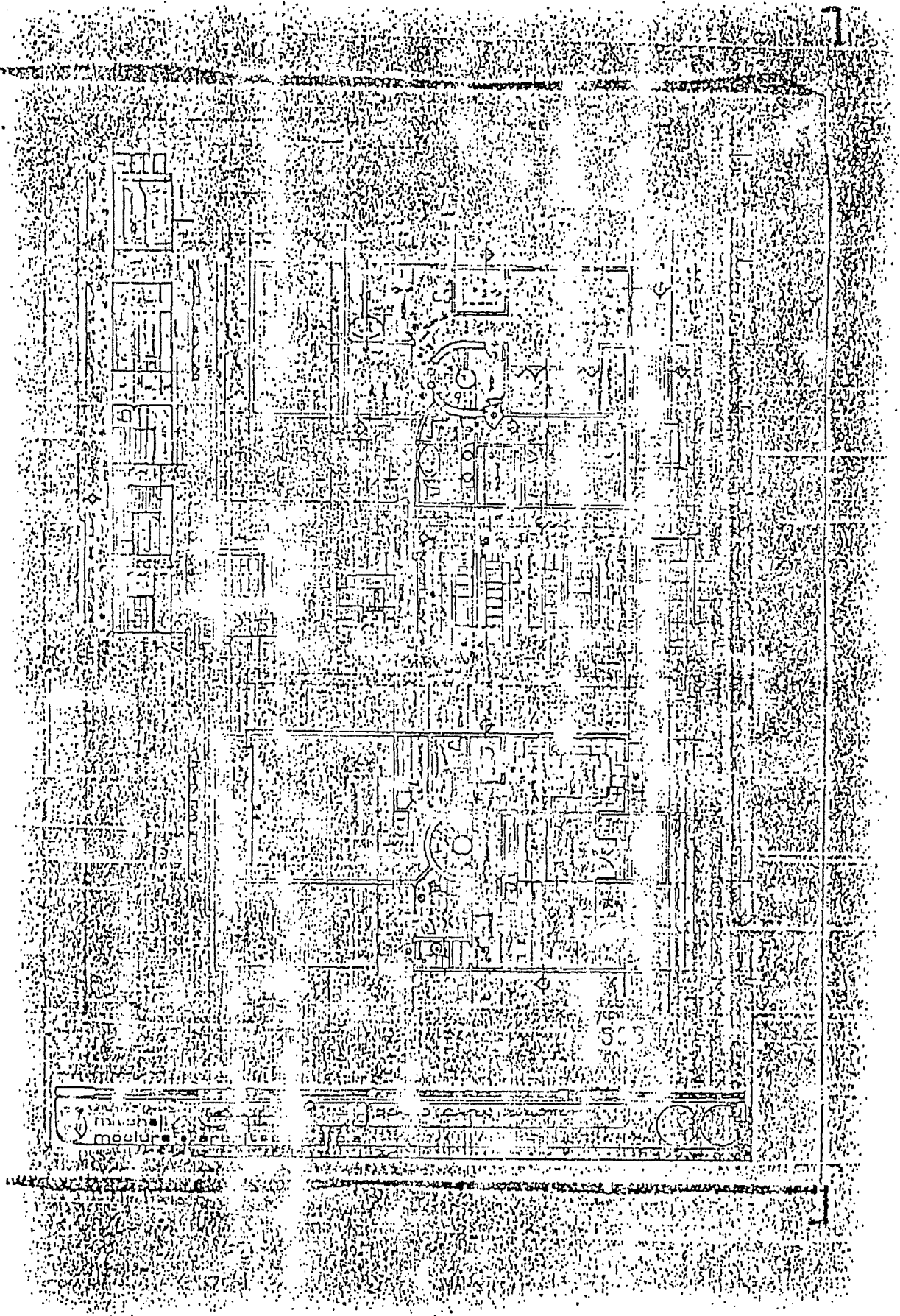


Exhibit A

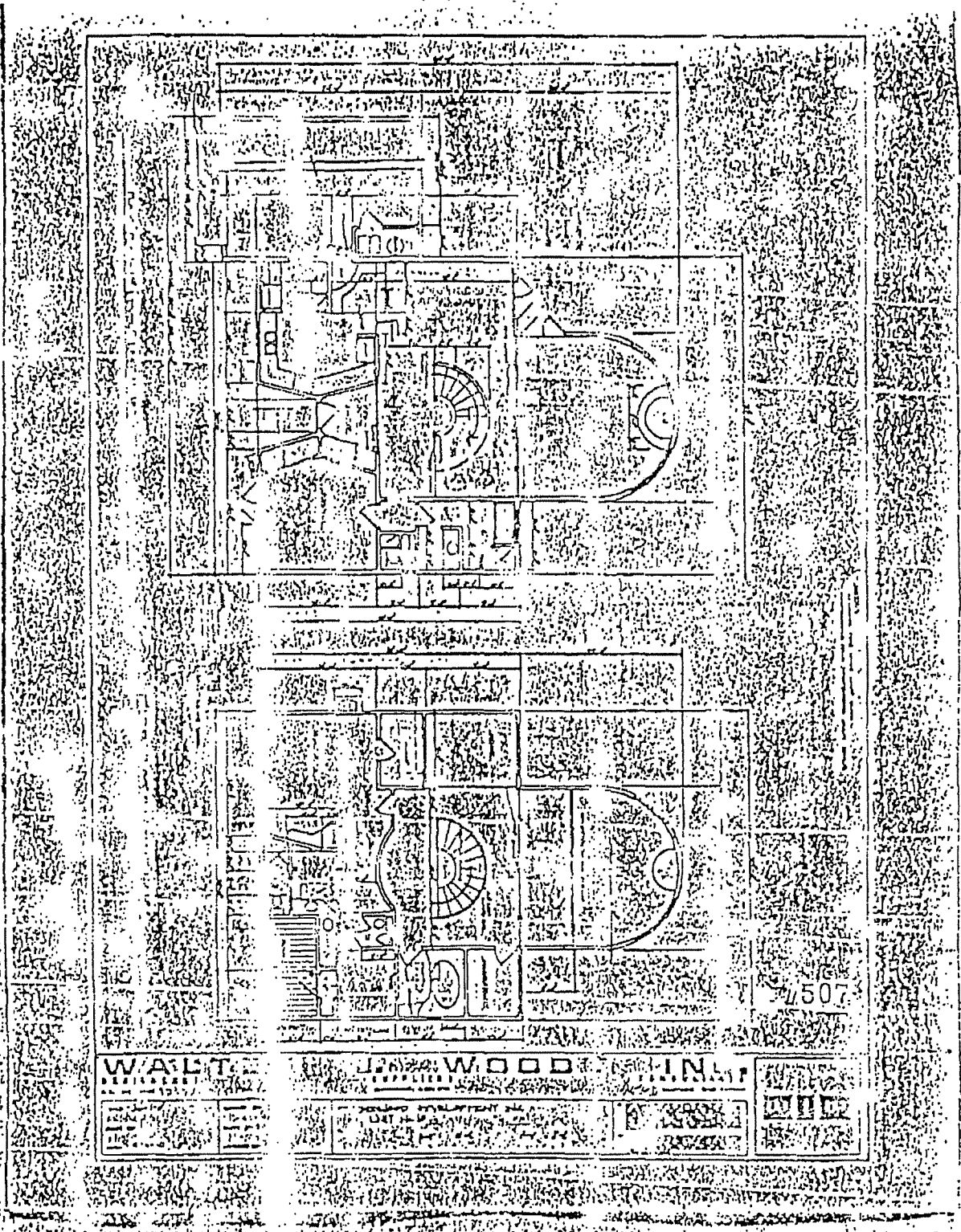
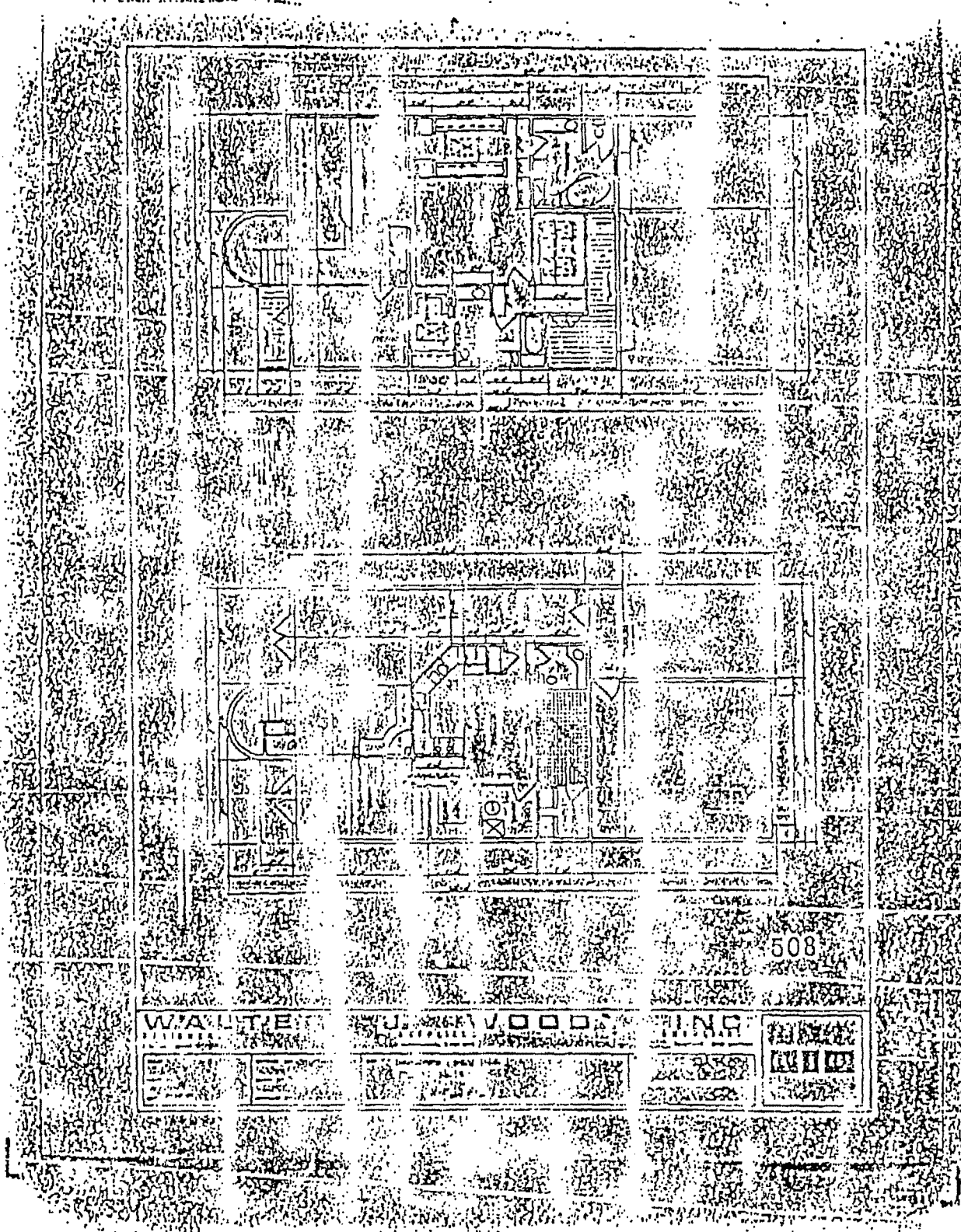


Exhibit A



3

EXHIBIT "B"

UNITS, COMMON AREAS, FACILITIES, AND OWNERSHIP %

PHASE I

<u>PLAN NO.</u>	<u>PLAN</u>	<u>APPROX. UNIT SQ FT AREA INCL. GARAGE</u>	<u>LIVING AREA</u>	<u>ROOMS (excl. baths and garage)</u>	<u>LIMITED COMM. AREAS ASSIG. TO UNIT</u>	<u>OWNER- SHIP %</u>
D-1	4	3010	1790	7	2	1.174
D-2	4	3010	1790	7	2	1.174
D-3	3	2252	1476	7	1	.968
D-4	1	2790	1806	7	2	1.185
D-5	10	3284	2597	11	1	1.704
E-1	7	3530	2222	8	1	1.458
E-2	9	2661	1871	7	2	1.227
E-3	7	3530	2222	8	2	1.458
E-4	9	2661	1871	7	2	1.227
F-1	10	3284	2597	11	1	1.704
F-2	12	3025	2597	10	1	1.704
F-3	1	2790	1806	7	2	1.185
F-4	10	3750	2597	11	1	1.704
G-1	2	2078	1502	6	3	.985
G-2	3	2252	1476	7	2	.968
H-1	2	2078	1502	6	2	.985
H-2	2	2078	1502	6	2	.985
H-3	8	3267	2027	9	3	1.330
H-4	5	2517	2052	9	2	1.346
H-5	12	3025	2597	10	2	1.704
H-6	10	3284	2597	11	2	1.704
I-1	4	3010	1790	7	2	1.174
I-2	4	3010	1790	7	2	1.174
I-3	3	2252	1476	7	1	.968
I-4	5	2517	2052	9	1	1.346
I-5	8	3267	2027	9	2	1.330
I-6	10	3284	2597	11	1	1.704

PHASE II

J-1	C	1816	1376	6	1	.903
J-2	B	1604	1164	5	1	.763
K-1	C	1816	1376	6	1	.903
K-2	D	1804	1364	6	1	.895
K-3	C	1816	1376	6	1	.903
L-1	B	1604	1164	5	1	.763
L-2	C	1816	1376	6	1	.903
L-3	C	1816	1376	6	1	.903
M-1	D	1804	1364	6	1	.895
M-2	D	1804	1364	6	1	.895
M-3	C	1816	1376	6	1	.903
M-4	A	1886	1446	6	1	.948
M-5	C	1816	1376	6	1	.903
M-6	C	1816	1376	6	1	.903

36600

PHASE III

PLAN NO.	PLAN	APPROX. UNIT SQ FT AREA INCL. GARAGE	LIVING AREA	ROOMS (excl. baths and garage)	LIMITED COMM. AREAS ASSIG. TO UNIT	OWNER- SHIP %
N-1	C	1816	1376	6	1	.903
N-2	C	1816	1376	6	1	.903
N-3	B	1604	1164	5	1	.763
N-4	C	1816	1376	6	1	.903
N-5	A	1886	1446	6	1	.948
N-6	D	1804	1364	6	1	.895
N-7	D	1804	1364	6	1	.895
N-8	C	1816	1376	6	1	.903
P-1	C	1816	1376	6	1	.903
P-2	C	1816	1376	6	1	.903
P-3	B	1604	1164	6	1	.763
P-4	D	1804	1364	6	1	.895
P-5	C	1816	1376	6	1	.903
P-6	D	1804	1364	6	1	.895
P-7	C	1816	1376	6	1	.903
P-8	C	1816	1376	6	1	.903
P-9	B	1604	1164	5	1	.763

PHASE III-A

Q-1	C	1816	1376	6	1	.903
Q-2	B	1604	1164	5	1	.763
Q-3	A	1886	1446	6	1	.948
Q-4	C	1816	1376	6	1	.903
Q-5	A	1886	1446	6	1	.948
Q-6	A	1886	1446	6	1	.948
Q-7	C	1816	1376	6	1	.903
Q-8	C	1816	1376	6	1	.903
Q-9	B	1604	1164	5	1	.763
R-1	A	1886	1446	6	1	.948
R-2	A	1886	1446	6	1	.948
R-3	A	1886	1446	6	1	.948

PHASE IV

S-1	C	1816	1376	6	1	.903
S-2	D	1804	1364	6	1	.895
S-3	B	1604	1164	5	1	.763
S-4	C	1816	1376	6	1	.903
S-5	C	1816	1376	6	1	.903
S-6	A	1886	1446	6	1	.948
S-7	A	1886	1446	6	1	.948
T-1	B	1604	1164	5	1	.763
T-2	E	1792	1352	5	1	.886
T-3	C	1816	1376	6	1	.903
T-4	C	1816	1376	6	1	.903
T-5	E	1792	1352	5	1	.886

PHASE IV (con't)

PLAN NO.	PLAN	APPROX. UNIT SQ FT AREA INCL. GARAGE	LIVING AREA	ROOMS (excl. baths and garage)	LIMITED COMM. AREAS ASSIG. TO UNIT	OWNER SHIP
U-1	D	1804	1364	6	1	.895
U-2	A	1886	1446	6	1	.948
U-3	B	1604	1164	5	1	.763
U-4	D	1804	1364	6	1	.895
U-5	D	1804	1364	6	1	.895
U-6	B	1604	1164	5	1	.763
V-1	A	1886	1446	6	1	.948
V-2	B	1604	1164	5	1	.763
V-3	E	1792	1352	5	1	.886
V-4	B	1604	1164	5	1	.763
W-1	A	1886	1446	6	1	.948
W-2	C	1816	1376	5	1	.903
W-3	C	1816	1376	6	1	.903
X-1	E CHAPARRAL	1792	1352	5	1	.886
X-2	C SANTA FE	1816	1376	6	1	.903
X-3	B CHAMISA	1604	1164	5	1	.763
X-4	D TIROS	1804	1364	6	1	.895
X-5	A SANDIA	1886	1446	6	1	.948

STATE OF NEW MEXICO } SS
COUNTY OF SANDOVAL }

This instrument was filed for record on

JAN 23 1987

At 3:04 A.M. (P.M.)
Recorded in Vol. _____
of records of said county, by _____
By: [Signature] Deputy

Declaration of Covenants, Conditions And Restrictions For Pueblo Los Cerros Condominium

Current Section (entitled Lease of Unit, IV. Covenants and Restrictions)

"No Unit Owner is permitted to lease that owner's Unit for transient or Hotel purposes. No Unit may be leased for a period of less than thirty days. Any lease agreement is required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Bylaws, and the Rules and Regulations and must be reported to the Administration. Any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases are required to be in writing. Other than the foregoing, there is no restriction on the right of an Unit owner to lease that owner's Unit."

Amended Covenant

"No Unit Owner is permitted to lease that owner's Unit for transient or Hotel purposes. No Unit may be leased for a period of less than thirty days. Any lease agreement is required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, the Bylaws, and the Rules and Regulations and must be reported to the Administration. Any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases are required to be in writing. When 20% of the units are rented, all Unit Owners will be notified by certified mail that no additional rentals will be allowed after 25% of the Units have been rented. Other than the foregoing, there is no restriction on the right of an Unit owner to lease that owner's Unit."

STATE OF NEW MEXICO		} SS
COUNTY OF SANDOVAL		
This instrument was filed for record on		
8:48 AM		PM
SEP 10 2002		
Recorded in Vol. 405 of records		
of said county, folio 91545-91547		
By <i>Obaldonado</i>		Cik. & Recorder
		Deputy

FIVE AMENDMENTS

TO THE

Second Restated Declaration of Condominium Ownership And of Covenants, Conditions and Restrictions for Pueblo Los Cerros Condominium

As Restated January, 1994

Corrales, Sandoval County, New Mexico

ARTICLE IV (K) Lease of Unit

Is amended to read as follows:

2009029653 10/09/2009 01:29:19 PM B: 412 P: 29653

MISCELLANEOUS

Pg. 1 of 27

Sally G. Padilla, Sandoval County Clerk

K. Lease of Unit

No Unit Owner is permitted to lease that owner's Unit for transient or Hotel purposes. No Unit may be leased for a period of less than three (3) months. Any Unit occupied by a non-Owner is considered a rental unit. Any lease agreement is required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declarations, the Bylaws, and the Rules and Regulations and must be reported to the Administration. Any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases are required to be in writing, with the exception of Units occupied by Mother, Father, adult son or adult daughter of the Owner. When 20% of the units are rented, all Unit Owners will be notified by certified mail that no additional rentals will be allowed after 25% of the Units have been rented. The following requirements apply to Unit Owners seeking to lease their Unit:

Requirements for Renters:

Any leasing agent, company, representative, or any individual owner which serves to lease a unit at Pueblo Los Cerros is advised that:

A. Tenant(s) is/are to have copies of this set of Covenants, Bylaws and Handbook on hand, obtainable from the Pueblo Los Cerros duly appointed agent. The set of Bylaws and Covenants is to be signed by the Applicant or Lessor before a lease can be signed. An Acknowledgment page must then be filed with the Pueblo Los Cerros duly appointed agent within one week of the lease signing. Violation of this can result in a penalty of liquidated damages in an amount to be determined by the Board of Directors to the owner for every 30 days of non-compliance.

B. A lease must be for a minimum of three (3) months and a copy of the lease must be given to the Board of Directors duly appointed representative within one week of the signing of the lease.

C. A lease must list specifically the name of each person who will be living in the rental unit, and occupancy must be limited to those individuals. The amount of persons occupying a unit shall be no more than is appropriate for the size of the unit. The name of the occupants and other pertinent information, such as date of occupancy, occupant's mailing address, occupant's home, work and mobile numbers, etc., is to be forwarded to the PLC Board of Directors' duly appointed representative.

D. Owners are required to collect security deposits in the amount equivalent to one month's rent from a tenant to cover any claims that may be made pursuant to the Association's Handbook, ByLaws, or Covenants or as allowed under New Mexico law.

E. Any owner who leases their unit shall be directly responsible for the conduct of their tenant. When an owner is presented in writing, by the Board of Directors, a complaint or complaints regarding a tenant, the owner must take immediate action to rectify the situation. Failure to respond may lead to assessment or penalties for the owner. The existence of a lease, or prompt payment of rent, shall not be deemed adequate reason to ignore behavior by a tenant who is detrimental to the quality of life of other residents.

ARTICLE X. REMEDIES FOR BREACH OF DECLARATION OR BYLAWS, RULES AND REGULATIONS, COVENANTS, CONDITIONS OR RESTRICTIONS

is amended to read as follows:

Each Unit Owner is bound to comply strictly with the Declarations, Bylaws, Rules and Regulations, Covenants, Conditions, and Restrictions applicable to the Property. In the event of any failure to comply, the Board of Directors, after notice and an opportunity to be heard may levy liquidated damages against an errant owner as a deterrent to disregarding the Declarations, Bylaws, Rules and Regulations, Covenants, Conditions or Restrictions and/or to cover the expense of curing the default and/or suspend services for violations, or, if it is appropriate, the Board, its authorized Agents, or aggrieved Unit Owner(s) may bring an action for damages, injunctive relief or any other legally cognizable form of action. In the event an action is brought for failure to comply as stated in this section, the Board of Directors, its Agents, or aggrieved Owner(s) shall be entitled, upon prevailing by entry of judgment, to recover their reasonable attorney's fees incurred in bringing and maintaining the action.

ARTICLE XI (G)(7) Collection of Assessments and Lien for Assessments

beginning with the paragraph entitled "BOUNCED CHECKS" is amended to read as follows:

BOUNCED CHECKS: Any check returned for insufficient funds will cause an additional fee in an amount to be determined by the Board to be assessed and posted on the next bill. A bounced

check must be covered by cash or a cashiers check. In applying delinquency procedures, any resulting outstanding bill will be treated as through this check had not been written.

DELINQUENT DATE: If full payment is not received by the 10th (tenth) day of the month when due, it is considered delinquent. If the 10th falls on Saturday, Sunday, or a legal holiday, the next legal business day becomes the delinquent date. Once delinquent, the action taken depends upon whether or not the owner was delinquent last month.

IF NOT DELINQUENT LAST MONTH: If full payment is not postmarked or received by the administration at its designated location by the delinquent date, a late fee in an amount to be determined by the Board will be assessed and posted on the next bill. A warning note and a copy of the "Payment and Delinquency Procedures will also be attached.

IF DELINQUENT LAST MONTH: If full payment is not received by the administration at its designated location by the delinquent date, a late fee in an amount to be determined by the Board will be assessed and the water shut off the morning of the 11th (eleventh). If the 11th falls on a Saturday, Sunday, or a legal holiday, the water will be shut off on the morning of the next legal business day. Note carefully that it is no longer sufficient to postmark payment by the delinquent date—the payment must be received by the administration at its designated location. A reconnection fee in an amount to be determined by the Board must be paid, along with full payment, before the water will be turned on.

If the account is still delinquent 7 (seven) days after the water has been shut off, legal proceedings will be filed with the Magistrate Court, a lien will be placed against the property, and a credit report will be filed with the appropriate agencies. The owner's name and the amount delinquent will be published in the next newsletter. All incurred expenses must be paid by the owner.

If the Board brings suit, there shall be added to that amount due the costs of the suit, together with interest at the highest rate permitted by law, and reasonable attorney's fees to be fixed by the Court. (See Section XIII, entitled Litigation)

ARTICLE XII (D) Resale of Units

is amended to read as follows:

D. Resale of Units

1. a Unit Owner must notify the Board of Directors' duly appointed representative within five (5) days of a Unit becoming available for sale.
2. Former paragraph 1. is re-numbered as paragraph 2. The text is unchanged.
3. Former paragraph 2. is re-numbered as paragraph 3. The text is unchanged.

ARTICLE XIII LITIGATION

Paragraphs A through C are unchanged.

Paragraph D is re-titled Mediation and is amended to read as follows:

D. Mediation

It shall be a prerequisite to the institution of any legal action for damages under this Declaration that the prospective parties to such litigation enter into good faith efforts to mediate the issues contemplated by the prospective litigation. Neither an action for injunctive relief nor collection efforts, assessments, fines or penalties are considered legal action for damages.

Paragraph E is amended to read as follows:

E. Majority vote

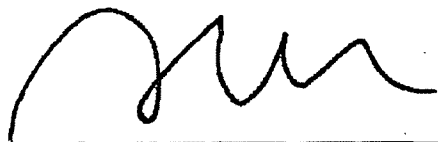
Any legal action for damages in an amount above \$10,000. shall not be initiated on behalf of the Association or Board of Directors without the consent of a majority of voters of Unit Owners present at a meeting wherein a quorum is established, although individual Unit Owners may bring actions in their name against other Unit Owners for such remedies as may be provided by law. Neither an action for injunctive relief nor collection efforts, assessments, fines or penalties are considered legal action for damages.

####

Following are signed petitions for each of the above amendments. Owners who mailed in petition approvals are listed after each petition. A minimum of 67 unit owners signed each petition. Where more than one owner of a unit signed, the two signatures together were treated as one. In addition, pursuant to ART XIV(C)(2) and (11), on June 30, 2009, 54 Eligible Mortgagees were forwarded the proposed amendments to ART IV(K), ART X, and ART XI(G)(7) with the opportunity to give a response within 30 days. Twenty-six (26) negative responses were required to defeat the amendments. Three (3) negative responses were received, all after the lapse of 30 days after notification. Accordingly, under the provisions of ART XIV(C), the eligible mortgagees are deemed to have approved said amendments.

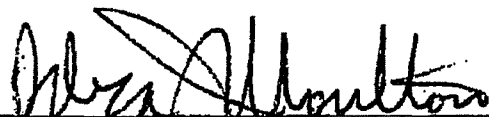
PUEBLO LOS CERROS UNIT OWNERS ASSOCIATION,
A New Mexico Nonprofit Corporation

By



Richard Wilks, President

By



Debra J. Moulton, Secretary

STATE OF NEW MEXICO

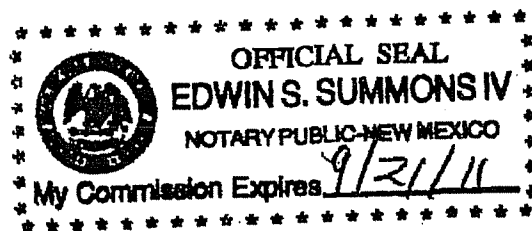
COUNTY OF Sandoval

The foregoing instrument was acknowledged before me on October 8, 2009, by RICHARD WILKS, as President of PUEBLO LOS CERROS UNIT OWNERS ASSOCIATION, a New Mexico nonprofit corporation.


Notary Public

My commission expires:

Sept 21, 2011



STATE OF NEW MEXICO

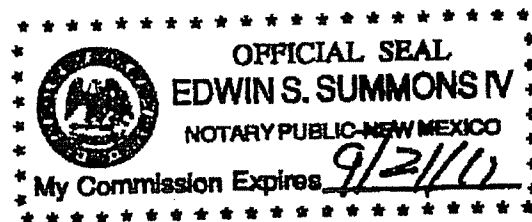
COUNTY OF _____

The foregoing instrument was acknowledged before me on October 9, 2009, by DEBRA J. MOULTON, as Secretary of PUEBLO LOS CERROS UNIT OWNERS ASSOCIATION, a New Mexico nonprofit corporation.


Notary Public

My commission expires:

Sept 21, 2011



NOTE:

Signatures of Unit Owners
approving each of the above
amendments are on file
in the management office -
Double R Realty.