

**DECLARATION OF PROTECTIVE COVENANTS,
IMPOSED UPON VISTA DE LA LUZ SUBDIVISION
ALBUQUERQUE, NEW MEXICO**

THIS DECLARATION OF PROTECTIVE COVENANTS, is made as of March 11, 2008, by MONTEREY LAND GROUP, LLC, a New Mexico limited liability company (the "Declarant"), with respect to that certain real property situated in Bernalillo County, New Mexico, more particularly described below.

Background:

A. Declarant is the owner the following real property located in Bernalillo County, New Mexico (the "Real Property"):

Lots 1-P1 through 72-P1 of Block A and Lots 1-P1 through 65-P1 of Block B of VISTA DE LA LUZ, a subdivision within the city of Albuquerque, New Mexico, as the same are designated on the Plat of said subdivision filed in the office of the county Clerk of Bernalillo County, New Mexico in Book 2006C, page 331; but excluding Tracts J and K, as shown on said Plat.

B. It is hereby declared that the Real Property is subject to this Declaration which is for the purpose of creating and maintaining a residential development on the Real Property and for the improvement and protection of the value, desirability and attractiveness of the Real Property.

C. This Declaration shall run with the described Real Property and shall be binding upon and inure to the benefit of Declarant, each Owner of the described real property or any part of it, and each successor in interest of Declarant, and any such Owner.

**ARTICLE 1
Definitions**

Unless the context otherwise specifies or requires, the terms defined in this Article 1 shall have the meanings assigned in this Article.

"**Association**" shall mean the Vista de la Luz Homeowners Association constituted pursuant to this Declaration.

"**Committee**" shall mean the Architectural Control Committee constituted pursuant to this Declaration.

"**Common Areas**" shall mean the common areas designated on the Plat and include landscape and access easements required to be maintained by the Association, as required by the Plat.

"**Declaration**" shall mean this Declaration of Protective Covenants Imposed upon Vista de la Luz Subdivision.

"**Declarant**" shall mean MONTEREY LAND GROUP, LLC, a New Mexico limited liability company, and its successors and assigns. Declarant may assign, in writing, all or part of Declarant's powers and responsibilities for all or a specific area or portion of the Subdivision to any person or entity who accepts such powers and responsibilities in writing. Any such assignment shall be Recorded. Each person or entity named as Declarant in an assignment may exercise the rights of Declarant provided by this Declaration for the area assigned, but any general power, such as the power to annex, that has been

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assigned, must be consented to by all persons to whom the Declarant has assigned its rights hereunder as Declarant.

“Home(s)” shall mean the single-family residential units to be constructed on the Lots.

“Improvements” shall include, without limitation, buildings, roads, driveways, parking areas, patio walls, subdivision exterior walls or fences, stairs, decks, windbreaks, poles, antennas, signs, rocks, plantings, utility or communication installations (whether above or underground), affixed recreational equipment, and any structure and excavation of any type or kind and all other structures or landscaping of every type and kind. The term shall include Homes, unless the context otherwise requires.

“Lot” shall mean each of the Lots located within the Subdivision and shown on the Plat together with the improvements located on each such Lot.

“Owner” shall mean the persons or entities, including Declarant, holding the beneficial ownership of the fee of a Lot or Lots, including the purchaser under a real estate contract and shall not include persons holding only a security interest or a seller under a real estate contract. For the purposes of Article 3, unless the context otherwise requires, Owner shall include the family, invitees, licensees and tenants of any Owner.

“Party Wall” shall mean a wall or fence constructed on or immediately adjacent to the common boundary of Lots or tracts or the common boundary of Common Areas and a Lot or tract.

“Perimeter Walls” shall mean all the walls designated as perimeter walls on the Site Plan for Subdivision.

“Plat” shall mean the Plat for Vista de law Luz, filed in the Bernalillo County Clerk’s Office, as set forth above.

“Recorded” shall mean filed for record in the real property records of Bernalillo County, New Mexico.

“Site Plan for Subdivision” means that certain site Plan for Subdivision vista de La Luz Subdivision, as approved by the city of Albuquerque, New Mexico on August 30, 2006, Project No. 1004675; Application No. 06DRB-01097.

“Subdivision” shall mean the Real Property which is subject to this Declaration, which excludes Tracts J and K as shown on the Plat. Tracts J and K are zoned for commercial use and are not subject to this Declaration.

ARTICLE 2
Property Subject to Declaration

The Subdivision, and each Lot therein, shall be held, transferred, sold, occupied, and used solely in accordance with these covenants, which shall run with the land and bind and inure to the benefit of all parties having or acquiring any right, title, or interest in the Subdivision, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and enhancing the noncommercial residential quality of life within the Subdivision.

ARTICLE 3
Permitted and Prohibited Uses of Property

3.1 Use of Subdivision, Homes and Common Areas. No part of the Subdivision shall be used for any purpose except single-family Homes and the common purposes for which the Common Areas were designed. All homes within the subdivision shall be single-family detached homes except for homes to be constructed on Lots 12-P1 through 20-P1; Lots 23-P1 through 30-P1; Lots 33-P1 through 40 P1; Lots 43-P1 through 50-P1; Lots 53-P1 through 60-P1; Lots 63-P1 through 70-P1 in Block A, which may be improved with townhome style Homes having a common wall. Each Home shall be used as a residence for a single family, its servants and guests.

3.2 Permitted Structures. Upon each Lot there may only be erected:

(a) One principal residence for one family, of not less than 1000 square feet of interior heated space for the single-family townhome style Homes and 1100 square feet for the single-family detached homes in the subdivision. Accessory structures permissible by applicable building codes and other Codes of the City of Albuquerque ("City") must be similar in design and must be constructed of the same materials. All structures are for residential use only.

(b) Each lot must have a garage which is of sufficient size and which is maintained to accommodate at least two automobiles at all times, except for Lot 61 in block A, which may, because of the size of the Lot, have a single-car garage.

(c) No other structures of any kind may be built or placed upon any Lot, the only exceptions being: a swimming pool (if permitted by City Code), gates, Common Walls, Perimeter Walls, Retaining Walls and accessory structures if permitted under Section 3.25.

(d) Homes built on Lots 1-P1 through 11-P1 and Lots 12-P1, 21-P1, 22-P1, 31-P1, 32-P1, 41-P1, 42-P1, 51-P1, 52-P1, 61-P1, 62-P1 and 72-P1 of Block A and on Lots 12-P1 through 23-P1 of Block B, shall be one (1) story, flat-roofed and shall not exceed fifteen (15) feet in height measured from the height of the top of the finished pad elevation as shown on the Grading and Drainage Plan approved for the Subdivision by the City of Albuquerque, to the top of any parapet or other structure on the home, and Lots 10-P1, 11-P1, 24-P1, 25-P1, 55-P1 and 56-P1 of Block B, shall be one (1) story, flat-roofed and shall not exceed fifteen (15) feet in height measured from the height of the top of the finished pad elevation as shown on the Grading and Drainage Plan approved for the Subdivision by the City of Albuquerque, to the top of any parapet or other structure on the home. Homes built on the remaining Lots in the Subdivision may be two (2) story homes, not exceeding twenty six (26) feet in height above the above finish pad elevation shown on the Grading and Drainage Plan. The provisions of this Paragraph 3 (d) and Paragraph 3.5 (b) and the last sentence of Paragraph 3.22, herein, shall not be amended without the prior written consent of the Quaker Heights Neighborhood Association and the Taylor Ranch Neighborhood Association.

(e) The Homes built in the subdivision shall comply with the Site Plan for Subdivision; Design Standards, which are incorporated herein by reference.

3.3 Trash Disposal. All garbage and trash must be placed in the proper receptacle designated for refuse and recycling collection and shall be stored so as not be visible from the street except on trash collection day. No garbage or trash shall be placed in or on any of the Common Areas. All rubbish, trash, and garbage shall be regularly removed from the Home and Lot and shall not be allowed to accumulate thereon.

3.4 Home Maintenance. Each Owner shall keep such Owner's Home and Lot in a good state of preservation, repair and cleanliness to include all landscaping.

3.5 Landscaping.

(a) General Obligation. All Lots and common Areas shall be landscaped as required by the Site Development Plan. All landscaping located within any Owner's yards will be properly maintained at all times by the Owner. Each Owner will keep all shrubs, trees, and plantings of every kind on his Lot cultivated, pruned, free of trash, and other unsightly material. Each Owner of a Lot shall keep all shrubs, trees, hedges, grass and plantings of every kind located on his Lot including set back areas and immediately adjoining Common Areas, and in the Public Right-of Way areas between sidewalks and the street curb in front of such Owner's property, neatly trimmed and mowed, and shall keep all such areas properly cultivated and maintained and free of trash, weeds and other unsightly material.

(b) Trees. No tree or trees in lots 1-P1 through 31-P1 in Block A and lots 6-P1 through 29-P1 and 51-P1 through 60-P1 in Block B shall be allowed to grow to a height in excess of twenty five (25) feet. No tree or trees in the remaining portion of the Subdivision shall be allowed to grow to a height in excess of forty five (45) feet.

3.6 Nuisance, Offensive Activities and Noise.

(a) Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition in, on, or around his or her Home. No Home shall be used, in whole or in part, for the storage of any property, substance, material or thing that causes or has the potential to cause any of the following (i) such Home to appear to be in an unclean or untidy condition or be obnoxious to the eye (ii) such Home to emit foul or obnoxious odors or (iii) any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the Owners or occupants of other Lots. No obnoxious or offensive activities shall be carried on within or upon any Home or Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any nearby Owners or occupants. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Subdivision.

(b) Activities Causing Unsightly Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Subdivision.

3.7 Mobile Homes. No prefabricated or mobile homes, even if proposed to be placed upon a non-mobile, permanent foundation, shall be permitted for any purpose anywhere on a Lot.

3.8 Parking; Campers, Boats and Recreational Vehicles.

(a) Parking. Vehicles may be parked only in garages, driveways, or on the street, never on any landscaped areas and/or front yards, side yards or rear yards. However, buses, trucks (except pick-up trucks of one ton or less), trailers, boats, recreational or commercial vehicles shall be parked only as provided in Section 3.8(b) below and may not be parked in driveways or on the street.

(b) Campers, Boats, Recreational Vehicles. No campers, boats, marine craft, hovercraft, boat trailers, travel trailers, motor homes, camper bodies, golf carts, or other types of oversized vehicles, recreational vehicles and non-passenger vehicles, equipment, implements or accessories may be kept on

any Lot unless the same are fully enclosed within a garage located on such Lot or, if approved by the Committee, said vehicles and /or accessories may be screened from view from outside of the Lot by a screening structure or fencing not less than five (5) feet high. The use of motorbikes, snowmobiles, unmuffled vehicles, dunebuggies and all terrain vehicles is prohibited within the Subdivision.

3.9 Commercial Vehicles. No commercial vehicle with a gross vehicle weight ratio greater than one (1) ton will be parked on any street right-of-way or Lot unless such vehicle is temporarily parked and in use for the construction, maintenance or repair of a Home, improvements or landscaping in the immediate vicinity, or for delivery of items or household moving. No trucks or vehicles of any size, which transport flammable or explosive cargo, may be kept in the Subdivision at any time.

3.10 Motor Vehicles. No vehicles or similar equipment will be parked or stored in any area visible from any street except passenger automobiles, passenger vans, motorcycles, pick-up trucks, and pick-up truck with attached bed campers that are in operating condition and have current license plates and are in daily use. No abandoned, derelict, inoperable or unlicensed vehicles may be stored or located on any Lot.

3.11 Business Operation. Owner or occupant residing in a Home may conduct business activities within the Home so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Home; (b) the business activity conforms to all zoning requirements for the Subdivision; (c) the business activity does not involve persons coming into the Subdivision who do not reside in the Subdivision or door-to-door solicitation of residents of the Subdivision; and (d) the business activity is consistent with the residential character of the Subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision.

3.12 Signs. Except for signs permitted by the last sentence of this Paragraph, no signs, including but not limited to sports signs, business or personal signage, or other window displays or advertising shall be maintained or permitted on any part of the Subdivision or in any Home. The right is reserved by the Declarant or any home builder to place "For Sale," "For Rent," or "For Lease" signs on any unsold or unoccupied homes. In no event will any sign described in this Paragraph be larger than one foot by two feet other than signs which are commercially purchased or those customarily used by licensed real estate brokers in residential transactions. Owners are permitted to post one "For Sale," "For Rent" or "For Lease" sign, signs advertising garage sales and yard sales, and signs endorsing political candidates, ballot issues and similar matters which are the subject of upcoming elections; provided, that such signs otherwise conform to the requirements of this Paragraph and are removed promptly following the events to which they pertain.

3.13 Leasing. Homes may be leased for residential purposes. All leases shall have a minimum term of six (6) months. All leases shall require, without limitation, that the tenant provide written acknowledgment of receipt of a copy of this Declaration. Further, no Home shall be used or rented for transient, hotel or motel purposes. Owner shall continue to have financial liability for all acts or omissions of their tenant.

3.14 Window Coverings. Appropriate window covering must be installed by each Owner on all windows of such Owner's Home and must be maintained thereon at all times. Foil, sheets, blankets, newspapers, cardboard and other makeshift window coverings are prohibited. Appropriate window coverings include curtains, drapes and blinds.

3.15 Exterior Holiday Decorations. Lights or decorations may be erected on the exterior of Homes in commemoration or celebration of publicly observed holidays provided that such lights or decorations do not unreasonably disturb the peaceful enjoyment of adjacent Owners by illuminating bedrooms, creating

noise or attracting sightseers. All lights and decorations must be removed within thirty (30) days after the holiday has ended. Christmas decorations or lights may not be displayed prior to November 1st of any year. For other holidays, decorations or lights may not be displayed more than thirty (30) days in advance of the holiday.

3.16 Animals. No animals (except as hereinafter permitted), livestock, horses, insects or poultry of any kind shall be kept, raised, or bred in the Subdivision. Dogs, cats and other household pets in reasonable numbers may be kept, providing they are not kept, raised or bred for commercial or hobby breeding purposes. All household pets must be restrained on a leash or otherwise under the direct control of an individual when outside of a Home or fenced yard in the Subdivision. All City and Bernalillo County ("County") animal control ordinances shall be complied with. No animal will be allowed to run loose, and all animals will be kept within enclosed areas, which must be clean, sanitary, and reasonably free of refuse, insects, and waste at all times.

3.17 Clothes Drying Facilities. Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Lot.

3.18 Disease and Insects. No owner shall permit anything or condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

3.19 Antennae, Satellite Dishes and Solar Collectors. Except with the written permission of the Committee or as provided herein, no Owner may erect or maintain (a) any direct broadcast satellite ("DBS") antenna greater than one meter (39 inches) in diameter, or (b) any multi-channel multipoint distribution service (wireless cable) ("MMDS") antenna greater than one meter (39 inches) in diameter; provided, however, such DBS or MMDS antenna being less than one meter in diameter may only be placed in the least conspicuous location on a roof where an acceptable quality signal can be received as long as such DBS or MMDS antenna is screened from view (for aesthetic reasons) from outside the Lot. Any other antenna structure, such as a television broadcast service ("TVBS") antenna, will be mounted in the attic of a residential structure. No solar collector panels may be placed anywhere in the Real Property. The installation and operation of satellite dishes and antennae will be in accordance with FCC regulations

3.20 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon, or adjacent to, any Lot except (i) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures, or other improvements; and (ii) that which Declarant, the City, County or any utility provider may require for the provision of services and the operation and maintenance of the Subdivision.

3.21 Party Walls. Except as hereinafter provided, the rights and duties of Owners with respect to Party Walls between Lots and tracts shall be as follows: (i) the Owners of contiguous Lots or tracts who have a Party Wall shall both equally have the right to use such wall or fence, provided that such use by one Owner does not interfere with the use and enjoyment of same by the other Owner, (ii) in the event that any Party Wall is damaged or destroyed through the act of an Owner or any of his Tenants, Lessees, agents, guests, or members of his family (whether or not such act is negligent or otherwise culpable), it shall be the obligation of such Owner to rebuild and repair the Party Wall without cost to the Owner of the adjoining Lot (and any dispute over an Owner's liability for such damage shall be resolved as provided in Subsection (v) below, but any liability imposed on an Owner hereunder shall not prevent the Owner from seeking reimbursement and indemnity therefor from the persons causing such damage); (iii) in the event any Party Wall is destroyed or damaged (including deterioration from ordinary wear and tear and lapse of time), other than by the act of an Owner, his Tenants, lessees, agents, guests or family, it shall be the obligation of all Owners whose Lots adjoin such Party Wall to rebuild and repair and the

costs for such rebuilding and repair shall be apportioned among the Owners in accordance with the frontage of their Lots on the Party Wall; (iv) notwithstanding anything to the contrary herein contained, there shall be no modification of any Party Wall without the prior consent of all Owners of any interest therein, whether by way of easement or in fee.

3.22 Perimeter Walls; Retaining Walls. Retaining Walls have been constructed by the Declarant on some Lots and may not be altered or removed by any Lot Owner. The site Plan for Subdivision requires certain Perimeter Walls, which when completed may not be altered or removed by any Lot Owner. The Owner whose lot abuts any Perimeter Wall or Retaining Wall will maintain the structure of and cosmetically maintain the abutting portion of the Perimeter Wall(s) facing the Owner's Lot. The Association will maintain the remainder of any Perimeter Wall and the Retaining Walls.

Areas of the subdivision lying to the north of the Northern Retaining Wall and areas lying west of the Western Retaining Wall have been covered with weed barrier and gravel and no trees, plants or other vegetation shall be permitted thereon. For security purposes, access to these areas has been sealed off by Declarant and shall not be used for any purpose except repair of the Retaining Wall or removal of vegetation and debris that may eventually occupy the affected area.

3.23 Statues. Statues, lawn ornaments and yard decorations of any size or type must be placed so as not to be visible from the street. However, this restriction shall not apply to the display of exterior holiday decorations as permitted by Section 3.15.

3.24 Temporary Structures. No structure of a temporary nature, including without limiting the generality thereof, any trailer, tent, shack, garage, barn, storage shed, motor home, mobile home, or other outbuilding, and no prefabricated or relocated structure will be used on any Lot at any time as a residence, either temporarily or permanently. This restriction will not be interpreted to limit the right of the Declarant to use trailers, or outbuildings as sales offices, selection centers, construction offices or material storage facilities.

3.25 Detached Buildings. No detached accessory buildings, including but not limited to, detached garages (other than provided herein) and storage buildings, will be erected, placed or constructed upon any Lot without the prior written consent of the Committee. Every outbuilding, inclusive of such structures as a storage building or greenhouse, will be compatible with the dwelling to which it is appurtenant in terms of design and material composition. Exterior paint and roofing materials of such outbuildings shall be consistent with the existing paint and roofing materials of the dwelling. Any such building must comply with City codes and (if required) be permitted by the City.

ARTICLE 4 Duties and Responsibilities of Owners

4.1 Owner's Responsibility to Repair and Insure. Each Owner shall be responsible for the maintenance and repair of his Home, his Lot and any Improvements and fixtures, and his landscaping, in neat and attractive condition, including prompt rebuilding after any event causing damage or destruction. Each Owner shall keep such owner's Home insured against hazards included under standard policies for fire and extended coverage sufficient to cover the replacement cost of the home, and for personal liability, including personal injury and death and property damage, in amounts and under terms which are standard in the Albuquerque area.

4.2 Joint Maintenance of Party Walls by Owners.

(a) Each wall which is built as part of the original construction of the Subdivision and placed on the dividing line between Lots shall constitute a party wall. To the extent not inconsistent with the provisions of this Section or Section 3.21, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply.

(b) The cost of reasonable repair, maintenance and replacement of a party wall shall be in accordance with Subsection 3.21 above, which is incorporated herein by this reference. The cost of reasonable repair, maintenance and replacement of any other common structure or joint utility shall be shared by the Owners who make use of the common structure or joint utility in proportion to such use.

(c) Notwithstanding any other provision of this Section, an Owner who, by his negligent or willful act, causes a party wall or common structure or joint utility to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(d) The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the Lot and shall pass to such Owner's successors in title.

(e) Any wall built by a Lot Owner that is placed solely on the Lot Owner's Lot shall be the sole responsibility of said Lot Owner.

4.3 Observance of Declaration. Each Owner shall comply with this Declaration and will cause Owner's family, agents, guest, contractors, employees and any person renting or leasing the Owner's dwelling to do likewise, and the Owner shall be responsible for any noncompliance by such persons.

ARTICLE 5

Architectural Control Committee; Building Standards

5.1 Building Standards. All structures permitted within the Subdivision shall conform to Sections III, IV, V, VI and VII of the Site Development Plan. The parapets and roofs and exteriors of all structures, including canales, metal vents, gutters, stove pipes, mechanical equipment, solar collectors, and the like, shall be painted with a non-reflective application and shall be earth colored, provided that white or other colors may be used under a portal.

5.2. Architectural Control Committee. No Architectural Control Committee is established upon the filing of this Declaration. The written consent and approval of the Owners of fifty-one percent (51%) of the Lots, and, only so long as the Declarant owns any Lots within the Subdivision, the consent of the Declarant, may establish an Architectural Control Committee for the purpose of administering the architectural requirements and building standards applicable to of the Subdivision. The Architectural Control Committee shall consist of three (3) persons and shall serve in accordance with the conditions established by the said Lot Owners. All decisions of the Committee shall be in writing and approved and signed by at least two-thirds of the Committee members, and a copy of each decision shall be provided to each member of the Committee and to the person who requested the decision (the "applicant"), and to any other Lot owner who requests a copy. Any decision which is not unanimous shall be made only after a telephonic or face-to-face meeting of all Committee members and the applicant. No member of the Architectural Control Committee shall be liable to any Owner or any other person for any damage, loss or prejudice suffered or claimed on account of:

(a) The approval of any plans, drawings or specifications, whether or not defective;

(b) The construction or performance of any work, whether or not made pursuant to approved plans, drawings or specifications.

An Amendment of this Declaration establishing the Committee shall be signed and acknowledged by at least fifty-one percent (51%) of the Lot Owners and Recorded in the real estate records of Bernalillo County, New Mexico, as set forth in Section 9.1. The Amendment shall set forth the names and addresses of the initial members of the Committee.

5.3 Construction Application and Submittals. If a Committee has been established, before any person shall commence building on any Lot within the Subdivision, the installation of, construction of, remodeling of, addition to, or alteration of any structure or improvement of whatsoever kind or nature; and before any person shall paint, repaint, texture or retexture or resurface any exterior walls, there shall be submitted to the Committee for its review an application in such form as required by the Committee establishing compliance with the provisions of the Site Development Plan. The Committee shall have the right and power to disapprove any plans, specifications and details, if the Committee finds that such items are not in accord with the provisions of the Site Development Plan, or if the design and color scheme submittal is not in harmony with the Subdivision or surrounding homes, or if the plans and specifications are incomplete.

ARTICLE 6 HOMEOWNERS ASSOCIATION

6.1. Membership.

(a) Every owner of any Lot or tract within the Subdivision shall be a Member of the Vista de la Luz Homeowners Association (the "Association"), a New Mexico non-profit corporation. Membership shall be appurtenant to and may not be separated from ownership of any Lot or tract within the Subdivision.

(b) The rights, duties, obligations and privileges of an owner of a Lot or tract within the Subdivision, as a member in the Association, shall be those set forth in, and shall be exercised and imposed, in accordance with the provisions of this Declaration, and the Articles of Incorporation and By-Laws of the Association.

6.2. Voting Rights. Every member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Notwithstanding the foregoing, while Declarant or either of them own any Lot or tract within the Subdivision, Declarant shall have the sole right to appoint the members of the Board of directors of the Association.

6.3. Organization. The Association shall be organized as a non-profit corporation, charged with the duties and empowered with the rights set forth herein.

6.4. Governance. The Association's affairs shall be governed by this Declaration, and the Articles of Incorporation and By-Laws of the Association.

6.5. Powers and Authority of the Association. The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a non-profit corporation and shall have the power and authority to do any and all things which are authorized, required or permitted under and by virtue of this Declaration and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any powers of the Association for the peace, health, comfort, safety and general welfare of the owners of Lots and tracts within the Subdivision. The Association shall act through its officers, directors and agents.

6.6. Maintenance Duties. The Association is specifically charged with the duty of maintaining all Common Areas and other areas within the Subdivision required to be maintained by the Association by the Plat and any private and common drainage improvements, including individual ponds within the Subdivision.

**ARTICLE 7.
FUNDS, ASSESSMENTS AND COLLECTIONS**

7.1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenant; and each Owner of any Lot or tract within the Subdivision, by acceptance of a deed, and each real estate contract purchaser by execution of such real estate contract, is deemed to covenant and agree to pay to the Association:

- (a) Annual maintenance assessments or charges, delinquency assessments;
- (b) Special assessments for capital improvements and legal fees, such assessments to be established and collected as hereinafter provided; and
- (c) All other fees or other monies due to the Association from an owner.

The annual, special and delinquency assessments, together with interest, costs and reasonable attorneys fees shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys= fees, shall also be the personal obligation of the person or entitle who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors or assigns in title unless expressly assumed by them.

7.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the privacy, safety, and welfare of the residents of the Subdivision and the owners of Lots and tracts within the Subdivision and to maintain private streets, roadways, easements, trails, private and common drainage improvements and common fire protection improvements within the Subdivision.

7.3. Payment of Annual Assessment. The annual assessment shall be determined by the Board of Directors of the Association The Board of Directors may elect to have the annual assessment paid in annual, semi-annual, quarterly or monthly installments.

7.4. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the filing of the Articles of Incorporation of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot, at least 30 days in advance of the annual assessment. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors of the Association. The Associations shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specific Lot have been paid.

7.5. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within 30 days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Board of Directors of the Association may do any or all of the following:

- (a) File a lien for any unpaid assessment by recording an affidavit of such fact in the office of the County Clerk of Bernalillo County, New Mexico;

- (b) Bring an action at law against the Owner personally obligated to pay the same; or
- (c) Foreclose the lien against the property.

In the event any of the foregoing actions are taken by the Association, the Owner shall be obligated to pay to the Association reasonable attorneys fees and necessary costs incurred by the Association in enforcing its rights and taking such action. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

7.6. Subordination of the Lien to Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any first mortgage granted by an Owner of a Lot. Sale or transfer of any Lot shall not effect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage, or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale of transfer. No such sale or transfer or foreclosure of first mortgage or proceeding in lieu thereof shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

7.7. Right of Access. The Association or its agents may enter upon any Lot when necessary and in connection with any maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Association out of the common expense fund.

ARTICLE 8

Limitation of Declaration on Declarant

8.1 Limitation of Declaration on Declarant. Nothing in this Declaration shall be understood or construed to prohibit any of the following being done by Declarant or its agents, employees, and contractors, or (as to (b) and (c) below) by the builders of Homes in the Subdivision who have specific authorization from a Declarant:

(a) Doing on the Real Property whatever is reasonably necessary or advisable in connection with the completion of the infrastructure and other development work; or

(b) Erecting, constructing and maintaining on any part or parts of the Subdivision, such structures as may be reasonably necessary for the conduct of its business of completing the work and establishing the Subdivision, including, without limitation, sales offices, model units (which shall comply with the Design Guidelines), general business offices for its staff, employees and contractors, and construction-period storage and parking facilities for materials and equipment, and disposing of the Subdivision in parcels by sale, lease or otherwise; or

(c) Maintaining such sign or signs on the Subdivision as may be necessary for its sale, lease, or disposition, or the sale, lease or disposition of any one or more Homes.

8.2 Use of Subdivision Name. The Declarant may use the name of the Subdivision and this Declaration in other subdivisions or projects, whether located adjacent to the Subdivision or not, provided such names have a distinctive number or other designation so that they are not identical with the names of the Subdivision.

8.3 Declarant Has No Duty to Enforce. The Declarant shall have no duty or obligation to enforce this Declaration.

8.4 No Amendment or Repeal. The provisions of this Article may not be amended or repealed without the consent of Declarant.

ARTICLE 9
Miscellaneous Provisions

9.1 Amendment or Repeal; Duration.

- (a) This Declaration may be amended or repealed by occurrence of both of the following:
 - (1) Except as provided in Section 5.2, the written consent and approval of the Owners of seventy-five percent (75%) of the Lots, and, only so long as either Declarant owns any Lots within the Subdivision, the consent of each such Declarant; and
 - (2) The recordation of a certificate signed and acknowledged by the specified percentage of the Owners (and if necessary by the Declarant[s]) setting forth, in full, the amendment or amendments so approved, including any portion or portions of this Declaration repealed, and certifying that such amendments or repealer have been approved as required hereby.
- (b) Declarant may amend, modify, or terminate this Declaration by a Recorded instrument of amendment or correction:
 - (1) At any time during which Declarant is the owner of at least one (1) Lot in the property within the Subdivision; and
 - (2) Where the only effect or such amendment is to correct manifest errors, omissions or inconsistencies.
- (c) This Declaration shall be effective upon the date of Recording hereof and, as amended from time to time, shall continue in full force and effect until December 31, 2027. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative written consent and approval to terminate this Declaration signed and Recorded by the Owners of two-thirds (2/3) of the Lots within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension.

9.2 Enforcement; Non-Waiver; No Forfeiture.

- (a) Any Owner or Owners, and the Declarant(s), shall have the right to enforce any of the provisions now or hereafter imposed by this Declaration upon other Owners, or upon any property within the Subdivision.
- (b) Every material violation of all or part of any restriction, condition, or covenant of this Declaration is hereby declared to be and to constitute a nuisance and may be enjoined or abated, whether the relief sought is for negative or affirmation action, by an Owner or Owners, as provided in this Section.
- (c) Each remedy provided for in this Declaration or by applicable law is cumulative and not exclusive.

(d) The failure to enforce the provisions of any limitation, restriction, covenant, condition, obligation, lien or charge of this Declaration shall not constitute a waiver of any right to enforce subsequently any such provision or any other provision of this Declaration.

(e) No breach of any of the provisions of this Declaration shall cause any forfeiture of title or reversion or bestow any rights of re-entry whatsoever.

(f) Reasonable attorneys' fees and costs may be awarded in any action brought to enforce the provisions of this Declaration.

9.3 Construction, Compliance with Laws, Etc.

(a) All of the limitations, restrictions, covenants, and conditions of this Declaration shall be liberally construed, together, to promote and effectuate the beneficial operation of the Subdivision.

(b) No provision of this Declaration shall be construed to excuse any person from observing any law or regulation of any governmental body having jurisdiction over such person or the Subdivision.

(c) Notwithstanding other provisions in this Section, the limitations, restrictions, covenants, and conditions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any of such limitations, restrictions, covenants, or conditions shall not affect the validity or enforceability of any other provision.

(d) The singular shall include the plural and the plural, the singular, unless the context requires the contrary, and the masculine, feminine and neuter include each other, as the context requires.

(e) All titles used in this Declaration, including those of Articles and Sections, are intended solely for convenience of reference and the same shall not affect the content of such provisions.

9.4 Lot Splitting; Consolidation.

(a) No Lot within the Subdivision shall be split, nor shall two or more lots within the Subdivision be consolidated into one Lot.

(b) Nothing contained in this Section shall apply to the splitting or consolidation of any Lots by Declarant, or to the replatting of adjoining Lots to adjust boundary lines.

9.5 Obligations of Owners; Avoidance; Termination. No owner, through the abandonment of the Owner's Lot or otherwise, may avoid the burdens or obligations imposed on such Owner by this Declaration.

9.6 No Partition or Severance of Interests. There shall be no partition or severance of any Lot from or within the Subdivision, and the Declarant, and Owners shall not seek to partition or sever any part of a Lot in the Subdivision, nor shall they have any right to maintain an action for judicial partition in connection with the Subdivision unless such right is expressly given by this Declaration. This provision shall not prevent the partition of any Lot or Lots held in joint ownership as long as no physical partition takes place and there is no severance from any incident of this Declaration.

9.7 Notices; Documents; Delivery. Any notice or other document permitted or required by this Declaration to be delivered may be delivered either personally or by mail. If delivery is made by mail, it

shall be deemed to have been delivered three (3) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed as follows:

If to an Owner; at the address of any Home within the Subdivision owned by the Owner or at such other address given by such Owner to the other Owners, in writing.

If to Declarant: Monterey Land Group, LLC
Attention: Tim McNaney
5100 San Mateo N.E., Suite A-1
Albuquerque, New Mexico 87109

Any such address may be changed from time to time by any Owner or by Declarant by notice in writing, delivered to all Owners.

9.9 Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

ARTICLE 10 Annexation of Additional Property

10.1 Annexation of Additional Property by Declarant. Declarant, its successors and assigns, shall have the right to annex real property and subject said property to the general plan and scheme of this Declaration without the approval of the Owners of Lots other than the Declarant, provided that the improvements to be constructed thereon are substantially completed prior to annexation. Any improvements on property annexed to this Declaration shall be consistent in terms of quality of construction and appearance with the initial improvements.

10.2 Annexation of Additional Property other than by Declarant. Additional real property may be annexed to the Project and included upon approval of (a) all owners of such additional real property, and (b) the Owners of at least sixty-seven percent (67%) of the Lots subject to this Declaration.

10.3 Rights and Obligations of Owners of Additional Property. Upon the recordation of an "Annexation Amendment," all provisions included within this Declaration shall be applicable to the Real Property described in said Annexation Amendment in the same manner as if it were originally covered by this Declaration. Thereafter, the rights, powers, and responsibilities of the parties to this Declaration with respect to the additional property shall be the same as with respect to the property described herein, shall be the same as if the additional property were originally covered by this Declaration.

10.4 De-annexation of Additional Property. Declarant may de-annex all or a portion of the additional property annexed to the Project by recordation of an "Amended Annexation Amendment" provided that (i) Declarant is the Owner of all the Lots included within the Amended Annexation Amendment; (ii) the Amended Annexation Amendment is Recorded in the same manner as the original Annexation Amendment; and (iii) the Recorded Amended Annexation Amendment is submitted to and approved by the VA/FHA as applicable.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

DECLARANT:

MONTEREY LAND GROUP, LLC
a New Mexico limited liability company

By: Tim McNaney
Name: Tim McNaney
Title: Managing Member

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on this 11th day of March, 2008 by Tim McNaney, Managing Member of Monterey Land Group, LLC, a New Mexico limited liability company.

Karl [Signature]
Notary Public

My Commission Expires:

October 29, 2011

