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THE HIGH RESORT VILLAGE

MASTER RESTRICTIONS

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THE HIGH RESORT VILLAGE MASTER RESTRICTIONS

A Declaration of Covenants, Conditions and Restrictions

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THE HIGH RESORT VILLAGE
MASTER RESTRICTIONS

A Declaration of Covenants, Conditions and Restrictions

THIS DECLARATION is made this 15th day of March, 1990, by HIGH RESORT I JOINT VENTURE, a New Mexico general partnership, as to that real property described in Exhibit "A" which is attached to this Declaration and incorporated by reference, and by each other person or entity having an interest in the real property described in Exhibit "A" who executes or has executed a consent to this Declaration.

This Declaration amends and completely restates and supersedes the Protective Covenants Imposed Upon the High Resort Village Unit I, Rio Rancho, New Mexico, which were recorded December 22, 1987 in Vol. Misc. 213, Folio 365-384, and recored January 22, 1988 in Vol. Misc. 214, Folio 441-460, of the records of Sandoval County, New Mexico (the "Original Declaration"), as to any and all real property described in the Original Declaration which is now or hereafter bound by this Declaration. The Original Declaration shall remain in full force and effect, in accordance with its terms, as to any and all real property described therein which is not now or hereafter bound by the provisions of this Declaration.

It is hereby declared that all of the described real property is subject to The High Resort Village Master

Restrictions, meaning the limitations, easements, restrictions, covenants, terms and conditions set forth in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement and transfer of the described real property and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of the described real property and its every part. The High Resort Village Restrictions shall run with the described real property and shall be binding upon and inure to the benefit of Grantor, the Association, each as defined in this Declaration, each owner of the described real property or any part thereof, and each successor in interest of Grantor, the Association and any such owner.

ARTICLE 1

Definitions

Unless the context otherwise specifies or requires, the terms defined in this Article shall, for the purposes of these Restrictions, have the meaning as defined in this Article.

Section 1.1. Architectural Control Committee. The term "Architectural Control Committee" shall mean the committee created pursuant to the Article entitled "Architectural Control Committee".

Section 1.2. Architectural Control Committee Rules. The term "Architectural Control Committee Rules" shall mean rules adopted by the Architectural Control Committee pursuant to

authority given to them by these Restrictions, as in effect from time to time.

Section 1.3. Association. The term "Association" shall mean The High Resort Village Community Association, Inc., a non profit New Mexico corporation, and any predecessor or successor incorporated or unincorporated association, as set forth in the Article entitled "The High Resort Village Community Association, Inc."

Section 1.4 Board. The term "Board" shall mean the Board of Directors of the Association.

Section 1.5. Common Area. The term "Common Area" shall mean any real property owned or controlled by the Association intended for the common use and enjoyment of the Association members. In addition, the Common Area includes for the purposes only of requiring the Association's upkeep and maintenance of such area, any berm, planter area, and green strip within the subdivision and adjacent to, or within any Community Street or the public rights-of-way within or surrounding the described real property.

Section 1.6. Community Street Any area owned by the Association over which there is granted the right of vehicular access to the Owners.

Section 1.7. Golf Course Lots. The term "Golf Course Lots" shall mean any Lot that fronts or abuts the Rio Rancho Golf Course, including Common Areas.

Section 1.8. Grantor. The term "Grantor" shall mean High Resort I Joint Venture, a New Mexico general partnership, and its successors and assigns. Although other corporations or entities may execute these documents as a grantor or declarant, only the High Resort I Joint Venture and its successors or assigns designated for this purpose shall have the rights of Grantor under and pursuant to these Declarations.

Section 1.9. Improvements. The term "Improvements" shall include but not be limited to buildings, sheds, utility buildings, roads, driveways, parking areas, fences, retaining walls, stairs, decks, hedges, windbreaks, poles, antennas, signs, utility or communication installations (whether above or underground), retaining structures, waterways, and any structures and excavations of any type or kind located on the Common Area.

Section 1.10. Limited Common Areas. The term "Limited Common Areas" shall mean any real property owned or controlled by the Association and intended for the exclusive use and enjoyment of a limited number of Lots as designated by the Grantor on the subdivision plat creating the Subdivision.

Section 1.11. Lot. The term "Lot" shall mean any numbered or lettered Lot shown on any Subdivision map of property situated within the subdivision except those areas owned by the Association. However, any numbered or lettered Lot shown on any subdivision map which is intended solely for use as a garage or parking area shall not be a separate Lot, but shall be considered a portion of that lot which the garage services. "Lot" shall

also mean any unit within a Project. Upon the splitting of any Lot or the consolidation of any Lots, "Lot" shall mean each parcel or unit into which such lot has been split or the parcel or unit consisting of the lots so consolidated, as the case may be.

Section 1.12. Membership; Member. The term "Membership" shall mean the membership in the Association by Owners of Lots and Project Units within the Subdivision as set forth in the Article entitled "The High Resort Village Community Association." The term "Member" shall mean the person or persons holding such membership.

Section 1.13. Mortgage; Mortgagee. The term "Mortgage" shall mean a deed of trust or an assignment of a leasehold interest for security purposes and the seller's interest under a contract of sale of real property as well as a mortgage; and the term "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust, or an assignee of a leasehold interest assigned for security purposes, or the seller under a Real Estate Contract of real property within the Subdivision, as well as a mortgagee.

Section 1.14. Neighborhood. The term "Neighborhood" includes any area within the Subdivision consisting of Lots and any Neighborhood Common Area for the exclusive use of such Lots which has been designated as a Neighborhood pursuant to a declaration filed by Grantor pursuant to the Article entitled "Neighborhood Association".

Section 1.15. Neighborhood Assessments. The term "Neighborhood Assessments" shall mean assessments levied by Neighborhood Associations.

Section 1.16. Neighborhood Association. The term "Neighborhood Association" shall mean a non-profit membership corporation and any predecessor or successor incorporated or unincorporated association as set forth in the Article entitled "Neighborhood Association".

Section 1.17. Neighborhood Common Areas. "Neighborhood Common Areas" shall mean any real property owned or controlled by a Neighborhood Association and intended for the common use and enjoyment of the members of that Neighborhood Association.

Section 1.18. Notice. The term "Notice" shall mean a notice delivered pursuant to Section 13.8.

Section 1.19. Operating Fund. The term "Operating Fund" shall mean the fund created pursuant to Section 8.2.

Section 1.20. Owner. The term "Owner" shall mean the person or persons, including Grantor, holding the beneficial ownership of the fee of a Lot (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; provided, however, that for the purposes of the Article entitled "Property Classification and Use," unless the context otherwise requires, "Owner" shall include the family, invitees, licensees, tenant, subtenant and lessees of any Owner.

Section 1.21. Project. The term "Project" shall mean any condominium project, any planned unit development and any other multiple unit residential development consisting of Project Units, plus Common Areas jointly owned or controlled by the Owners of Project Units.

Section 1.22. Project Area. The term "Project Area" shall mean all of the real property within the Subdivision lying within the boundaries of any Project.

Section 1.23. Project Committee. The term "Project Committee" shall mean the governing body of any Project which may or may not be the same as the Board of Directors of any Neighborhood Association governing the Project.

Section 1.24. Project Unit. The term "Project Unit" or "Unit" shall be defined as the individually owned or controlled portion of a Project including units of a condominium or townhouse and the individual lots in a planned unit development that are not Common Areas of the Project.

Section 1.25. Real Estate Contract. A contract for the sale and purchase of real property within the Subdivision, wherein possession of such real property has passed to the purchaser but a portion of the purchase price remains unpaid.

Section 1.26. Record; Recorded. The term "Record" or "Recorded" shall mean, with respect to any document, that the document shall have been recorded in the real estate records of Office of the County Clerk of Sandoval County, New Mexico.

Section 1.27. Residential Area. The term "Residential Area" shall mean any area within the Subdivision not part of the Common Area.

Section 1.28. Security Service. The term "Security Service" shall include personnel and security devices employed by the Association to control access to The High Resort Village Community, and to enforce the Subdivision rules and regulations of the Association.

Section 1.29. Setback. The term "Setback Lines" means the shortest distance between a dwelling house or other structure referred to (excluding landscaping, fences and walls) and the given front, side or rear lines of the particular Lot, Unit or site. The lines established in Subdivision Maps or deed executed by Grantor, or by project maps or plans approved by the government agency having jurisdiction, or by resolution of the Architectural Control Committee, for any dwelling house or other structure from any front, rear or side lines shall be deemed and construed to be the minimum distance between said dwelling house or other structures (excluding landscaping, fences and walls) and said front, rear or side line closest thereto.

Section 1.30. Street. The term "Street" shall mean and refer to any public street, public highway, or other public thoroughfare shown on a Subdivision map, of any land now or hereafter subjected to these Restrictions or contiguous to the real property designated on any of said maps, no matter how designated.

Section 1.31. Subdivision. The term "Subdivision" shall be defined as the real property described in Exhibit "A" plus all annexations of property as may be made to The High Resort Village Master Restrictions as provided by Article 2.

Section 1.32. Subdivision Map. The term "Subdivision Map" shall mean any final subdivision or parcel map.

Section 1.33. Subdivision Rules. The term "Subdivision Rules" shall mean the rules made by the Board pursuant to the authority granted by these Restrictions or the Articles of Incorporation or By-Laws of the Association as they are from time to time in effect.

Section 1.34. The High Resort Village Community. The term "The High Resort Village Community" shall mean the property subject to or made subject to The High Resort Village Master Restrictions.

Section 1.35. The High Resort Village Master Restrictions. The term "The High Resort Village Master Restrictions" or "Restrictions" shall mean, with respect to all property within the subdivision, the limitations, restrictions, covenants and conditions set forth in this Declaration, as such Declaration may from time to time be amended, and with respect to any property which is annexed to The High Resort Village Community, as these Restrictions may from time to time be supplemented or modified by the provisions of a declaration, if any, recorded with respect to such annexed property.

ARTICLE 2

Property Subject To Restrictions

Section 2.1. Initial Development. All of that certain real property located in the City of Rio Rancho, Sandoval County, New Mexico, described in Exhibit "A" attached hereto and incorporated herein shall initially constitute The High Resort Village Community.

In addition, owners of any Lot(s) within The High Resort Village Unit 1 (as shown on the plat thereof Recorded February 27, 1987 at Book 4, Page 91) may cause such Lot(s) to become subject to these Restrictions, in the same manner as the property described in Exhibit "A", by executing and acknowledging a written instrument adopting and ratifying these Restrictions and stating that such Lot(s) shall be subject to all of the provisions of these Restrictions. Such instrument shall be submitted to the Grantor for approval, and if approved shall be signed by Grantor, and shall then be Recorded by such owner.

Section 2.2. The High Resort Village Community; Annexation of Subsequent Developments. Grantor may, pursuant to the following provisions of this section, from time to time and in its sole discretion and without necessity of any approvals, annex to The High Resort Village Community, any property not then constituting a part of The High Resort Village Community owned by Grantor or other persons with the permission of such other persons.

(a) The annexation of any such property shall become effective when Grantor shall have Recorded the following:

(1) A declaration, which may consist of more than one document and which shall, among other things, (i) describe the real property which is to be annexed, (ii) set forth or refer to such additional or other limitations, restrictions, covenants and conditions, applicable to such property, (iii) describe any areas to be included within a Neighborhood and any Common Areas, and (iv) declare that such property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to The High Resort Village Master Restrictions; and

(2) A Subdivision map with respect to the real property described in said declaration.

(b) Grantor shall not annex to The High Resort Village Community any property designated on a Subdivision map as a lot unless:

(1) The property is described in Exhibit "B" attached hereto and incorporated herein; or,

(2) The Board approve such annexation if the property is not described in Exhibit "B".

(c) Upon any annexation becoming effective the property covered by such annexation shall become and constitute a part of The High Resort Village Community, and the Association shall have and accept and exercise jurisdiction over such property as a part of The High Resort Village Community.

(d) The declaration referred to above may, with respect to all or any part of the Property described by it, provide for any or all of the following which shall become part of these Restrictions as applicable to such property:

(1) Such new land classifications not then provided for by these Restrictions, including such different restrictions, covenants and conditions with respect to the use as Grantor deems appropriate for the development of such property; and

(2) With respect to the land classification provided for by these Restrictions, such additional or different limitations, restrictions, covenants and conditions with respect to use as Grantor deems appropriate for the development of such property; provided, however, that such additional or different limitations, restrictions, covenants and conditions applicable to common area lying within such annexed property shall not discriminate between Owners.

(e) All improvements planned or required on any real property to be annexed shall be substantially completed prior to annexation and such improvements shall be consistent in terms of quality of construction with improvements already existing in the Community.

ARTICLE 3

Property Classifications and Use

Section 3.1. Purposes of Land Classification and Use. The purposes of these limitations and restrictions and the other controls in this Article are to enhance, protect, establish and maintain the character, value, desirability and attractiveness of the real estate within the Subdivision and to insure its proper development as a Subdivision.

Section 3.2. Land Classification. All land within the Subdivision is classified into one of two (2) areas, the Residential Area, and the Common Area. The Common Area may be

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further classified into Common Area, or Neighborhood Common Area or Limited Common Area.

Section 3.3. Uses and Restrictions Applicable to Residential Areas. Each Lot and Project Area in the Residential Areas shall be owned in fee simple for the exclusive use and benefit of its Owner(s), subject, however, to all of the following rights, standards, limitations and restrictions, which shall be applicable to any and all construction, reconstruction, refurbishing, alteration or refinishing of any and all improvements from time to time existing or to be built on any Lot or within any Project Area within the Residential Area.

(a) The Association, or its duly authorized agents, shall have the right at any time, and from time to time, without any liability to the Owner for trespass or otherwise, to enter upon any Common Area, Project Area, Limited Common Area, or Neighborhood Common Area for the purpose (1) of maintaining such Lot as provided for in these Restrictions, (2) of maintaining Project Common Areas, Limited Common Areas, and Neighborhood Common Areas, and (3) of enforcing all of the restrictions set forth in these Restrictions applicable to such Lot, Project Area, Limited Common Area, or Neighborhood Common Area.

(b) Improvements and work where regulated and controlled by this Article, whether performed by the Association or any Owner, may be done only in strict compliance with the provisions of this Article.

(c) Improvements and development within the Subdivision shall be limited to residences, townhouses, Projects, roads and parking areas, recreational facilities or open space and related uses, all public or quasi-public service and utility facilities related to such uses including, but not limited to, sewer, gas, water, electric and communication facilities. In no event shall such lands be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, or be used in any other way inconsistent with these Restrictions.

(d) Each Lot and any and all Improvements from time to time located thereon, including landscaping, shall be maintained by the Owner or Owners thereof in good condition and repair as may be further defined from time to time by the Architectural Control Committee, (or the Board) all at such Owner's sole cost and expense.

(e) No noxious or offensive activity shall be carried on within the Subdivision. No light shall be emitted from any property which is unreasonably bright or causes unreasonable glare; no sound shall be emitted on any property which is unreasonably loud or annoying; no odor shall be emitted on any property which is noxious or offensive to others; nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to other Owners in the enjoyment of their property or in their enjoyment of the Common Area.

(f) No accessory structures or buildings shall be constructed, placed or maintained upon any property prior to the construction of the main structure; provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any work of improvement permitted by this Article, or to sales offices, or model home complexes during the sales period.

(g) No recreational vehicle or mobile home or similar facility or structure shall be kept, placed, stored, parked, maintained or affixed upon any property at any time. The provisions of this paragraph and of Section 3.3(f) shall not apply to temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any work or improvement permitted by this Article.

(h) Outside clothes lines or other outside clothes drying or airing facilities, above ground trash and garbage receptacle structures and other maintenance and service facilities shall be maintained only in accordance with the resolution of the Architectural Control Committee.

(i) No garbage, clippings from trees, shrubs or lawns, trash, ashes or other refuse may be thrown, dumped, or allowed to accumulate within the Subdivision. There shall be no burning of refuse out of doors, except for the burning of natural materials in connection with fire control. (Each Owner shall provide suitable receptacles for the collection of refuse. Such

receptacles shall be enclosed and screened from public view and protected from disturbance). Solid refuse shall not be placed in any unscreened area for collection more than twenty-four (24) hours prior to the scheduled collection time.

(j) No animals, livestock, horses, insects or poultry of any kind shall be kept, raised or bred, however domesticated; dogs, cats and other household pets may be kept in reasonable numbers providing they are not kept, raised or bred for hobby breeding or commercial purposes. Such household pets must be restrained on a leash or otherwise under the control of an individual when in public areas. Any animal not so restrained or controlled in violation of this subsection may be picked up and impounded by Grantor or the Association without liability and at the animal Owner's expense and may be turned over to any appropriate pound, animal shelter or animal control officer. The Subdivision Rules may further regulate the number and manner in which animals are kept in the Subdivision.

(k) All vacant areas are to be kept free of litter, debris and weeds and are not to be used for the storage of materials except for materials being used for authorized current construction on the areas where stored. No lawn clippings or other garden refuse shall be placed in streets or public view more than twenty-four (24) hours prior to the scheduled pick up time and all such material shall be bagged or in containers.

(l) There shall be no open storage of boats, motor homes, trailers, mobile homes, campers, commercial vehicles over

one (1) ton or inoperative vehicles, except in boat or vehicle storage areas designated by Grantor or the Association, if any, for such purposes. Travel trailers belonging to bona-fide guests may not remain on any property for longer than one (1) week for any one visit, and must be parked in an unobtrusive area. There shall be no overhauling or rebuilding of any vehicle in any driveway or street, or in front of any property, but such activities are not prohibited inside buildings even if visible through doorways and other openings.

(m) Except for temporary lines used during construction all utility lines, including, but not limited to, electrical, gas, telephone, cable television and other communications shall be underground, except for access ports and above ground transformers.

(n) No chemicals or petroleum products shall be placed or allowed to drain into storm drains or street gutters but this paragraph shall not prevent the application in normal quantities of customary insect, animal or plant control substances, fertilizers and plant foods and paints or protective compounds on Lots and Improvements within the Subdivision even if run off from the property could carry these substances into the storm drain system.

(o) No Lot or Project Area shall be used for any purpose other than residential use and shall not be used in whole or part for any commercial, manufacturing, mercantile or other non-residential purposes (except professionals in business

engaged in recognized non-manufacturing professions) and no residence or Project Unit shall be used as a boarding house or apartments, except this paragraph shall not be construed to prevent the rental or lease of entire residences and Project Units by their respective Owners.

(p) All improvements shall be constructed either in accordance with applicable building setback lines shown on covenants executed by Grantor or in accordance with setback lines approved by the Architectural Control Committee; provided, however, that if permissible by law, the Architectural Control Committee may permit a variance from such lines upon a determination that such variance is necessary to facilitate the use of the Lot involved and that it does not unreasonably impair the use, value or aesthetic appeal of any Common Area or other Lot.

(q) All Lots and Project Areas shall be landscaped and open areas not covered by patios, swimming pools, porches, driveways and flower beds and other normal and customary improvements shall be planted in grass, or other ground cover (including "Southwestern" style landscaping). All dead vegetation, including trees, shall be removed within thirty (30) days. All grass, mass plantings and other plantings shall be mowed, trimmed and cut as necessary at regular intervals to maintain them in a neat and attractive manner.

(r) Any approved detached shed or building must be painted to blend with other structures located on the same Lot,

unless approved by the Architectural Control Committee and may be no more than one (1) story in height. The right to construct any such structure and the design or other requirements for such structure shall be set by Architectural Control Committee.

(s) Subject to review and change by resolution of the Architectural Control Committee, no signs that are visible from neighboring Lots, Project Areas, Common Areas, Community Streets or Streets shall be erected or maintained upon any Lot or Project Area except:

(1) Such signs as may be required or reasonably necessary by legal proceedings.

(2) During the time of construction of any structure or other improvement, one (1) job identification sign having a maximum face area of seven (7) square feet per sign for each single family or duplex dwelling and twenty-four (24) square feet for each Project unless approved by the Architectural Control Committee; and

(3) Not more than one "for sale" or "for rent" sign having a maximum face area of four (4) square feet.

Section 3.4. Common Area, Neighborhood Common Area and Limited Common Area: Uses; Restrictions. The use of Common Area shall be reserved equally to all Owners of property within the Subdivision, the use of Neighborhood Common Area shall be similarly reserved equally to all Owners within the Neighborhood and the use of the Limited Common Area shall be reserved to all Owners of property designated on the Subdivision plat for use of such Limited Common Area, subject, however, to the following limitations and restrictions:

(a) The use of Common Area and Limited Common Area shall be subject to the Subdivision rules and Neighborhood Common Area shall similarly be subject to the rules of the Neighborhood Association to which it belongs.

(b) The use of Common Area, Neighborhood Common Area, and Limited Common Area shall be subject to (i) such easements as may have been offered for dedication or dedicated to public or utility use on a subdivision map, (ii) such easements, licenses and rights of use as may have been reserved at the time of the conveyance of the area by Grantor to the Association, or to the Neighborhood Association, (iii) such easements or other interests as may from time to time be taken under power of eminent domain, (iv) such other easements as may from time to time be granted or conveyed by the Association or Neighborhood Association pursuant to its power pursuant to these Restrictions, (v) and the maintenance of entry facilities and signs.

(c) Except to the extent otherwise permitted pursuant to the easements, licenses and rights of use referred to above, the use of Common Areas, Neighborhood Common Areas, and Limited Common Areas shall be limited to recreational uses and the maintenance of entry features, signs, security facilities, and such other reasonable uses as the Board may determine by resolution to be for the common interest of the affected Owners.

Section 3.5. Lots and Project Area: Construction and Alteration of Improvements; Approval of Plans. The right of an Owner to construct, reconstruct, refinish, alter or maintain any

Improvement upon, under or above any Lot or Project Area excepting Common Areas, Neighborhood Common Areas, and Limited Common Areas or to make any change in the natural or existing surface drainage thereof, or to install any utility line (wire or conduit) thereon or thereover, shall be subject to all of the following limitations and conditions of this section.

(a) Except to the extent permitted below, any construction or reconstruction of improvements and structures, or the recoloring, refinishing or alteration of any part of the exterior of, any improvement or structure upon any Lot or Project Area is absolutely prohibited until and unless the Owner thereof first obtains the approval of the Architectural Control Committee and otherwise complies with all the provisions of this section. The Association may on thirty (30) days written notice to the Owner thereof remove or cause to be removed or brought into conformity with these Restrictions, any Improvement constructed, reconstructed, refinished, altered or maintained in violation of this section, require and compel the Owner thereof to do so, and the Owner thereof shall reimburse the Association for all expenses incurred in connection therewith.

(b) An Owner or Project Committee, may construct or reconstruct Improvements or structures; or recolor, refinish or alter any part of the exterior of any Improvements only upon the prior approval of the Architectural Control Committee. The Owner or Project Committee shall make application by submitting to the Architectural Control Committee a request for approval in

duplicate for plans and specifications for the proposed work. When the Architectural Control Committee receives a request for approval of maintenance, reconstruction, recoloring or refinishing of the exterior of any Improvement or structure, the Committee shall meet within thirty (30) days of receipt of such request and determine if the requested maintenance, reconstruction, recoloring or refinishing is permissable under these Restrictions and Architectural Control Committee Rules in its judgement. Within ten (10) days after such meeting the Architectural Control Committee shall issue a written letter of decision to the Owner or Project Committee making such request either granting or denying the request and stating the reasons therefor.

(c) The Architectural Control Committee shall approve the plans, drawings and specifications submitted to it if the following conditions shall have been satisfied:

(1) The Owner has submitted any and all materials required by the Architectural Control Committee;

(2) The Architectural Control Committee finds that the proposed Improvement conforms to these Restrictions. All such approvals shall be in writing and may be conditioned upon the submission by the Owner, and the review of the Architectural Control Committee, of such additional plans and specifications as the Architectural Control Committee shall deem appropriate for the purpose of insuring that the construction of the proposed Improvement shall be in accordance with the approved plans. Applications made in accordance with this section, which have been neither approved, rejected, or additional information requested within thirty (30) days from the date of submission thereof to the Architectural Control Committee shall be deemed approved. One set of plans as finally approved and bearing the endorsement of the Architectural Control

Committee shall be returned to the Owner for his personal records.

(d) Upon receipt of the approval from the Architectural Control Committee, the Owner or Project Committee shall, as soon as practicable, satisfy all conditions of that approval and diligently proceed with the commencement and completion of all work pursuant to the approved plans within one (1) year from the date of such approval or within such longer time as the Architectural Control Committee may grant on the application of such Owner or Project Committee. If the Owner or Project Committee shall fail to comply with this paragraph, any approval given shall be deemed revoked and the Improvement may be treated as having been constructed in violation of this section, unless upon the written request of the Owner or Project Committee made to the Architectural Control Committee prior to the expiration of said one (1) year or longer period granted by the Architectural Control Committee and upon a finding by the Architectural Control Committee that there has been a good faith start of construction by the Owner or the Project Committee or that there has been no change in circumstances, the time for such commencement is extended in writing by the Architectural Control Committee. Such extension shall be given as a matter of course when delays in completion of construction are caused by strikes, unavailability of material, fire, storms, act of God or similar events not within the control of the particular Owner or Project Committee.

(e) Upon the completion of any Improvement or work for which approved plans are required under this section, Owner or

Project Committee shall give notice thereof to the Architectural Control Committee and within thirty (30) days thereafter the Architectural Control Committee, or its duly authorized representative, may inspect such Improvement to determine whether it was constructed, reconstructed, altered or refinished in substantial compliance with approved plans. If the Architectural Control Committee finds that such construction, reconstruction, alteration or refinishing was not done in substantial compliance with approved plans, it shall notify the Owner or Project Committee of such non-compliance within sixty (60) days from the notice of completion and shall require the Owner or Project Committee to remedy such non-compliance. If upon the expiration of sixty (60) days from the date of such notification by the Architectural Control Committee, the Owner or Project Committee shall have failed to remedy such non-compliance, the Architectural Control Committee shall notify the Association of such failure, and the Association, at its option, may either remove the Improvement or remedy the non-compliance, and the Owner or Project Committee shall reimburse the Association for all expenses incurred in connection therewith.

(f) If for any reason the Architectural Control Committee fails to notify the Owner or Project Committee of any such non-compliance within sixty (60) days after receipt of the notice of completion from the Owner or Project Committee, the Improvement shall be deemed to have been completed in accordance with the approved plans.

(g) If any Improvement or work is completed or done without compliance with this section, such Improvement or work shall be deemed to have been in compliance with this section if no action has been commenced to enforce the provisions of this section against such improvement or work within one (1) year of its completion.

Section 3.6. Common Area, Neighborhood Common Area and Limited Common Areas: Construction and Alteration of Improvements. Except to the extent otherwise permitted pursuant to easements, licenses and rights of use, no Improvement, or other work in any way altering Common Area or Neighborhood Common Area or Limited Common Area from its existing state on the date it was conveyed by Grantor to the Association or Neighborhood Association, or otherwise acquired shall be made or done except upon compliance with the provisions of this section. As this section relates to Neighborhood Common Area and Limited Common Area the term "Common Area" shall also include "Neighborhood Common Area" and "Limited Common Area" and the term "Association" shall also include Neighborhood Association.

(a) Subject to Grantor's reserved rights pursuant to the Article entitled "Rights of Grantor", no person other than Grantor or the Association, without the permission of Grantor during the first three (3) years following conveyance of Common Area by Grantor to the Association, shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall make or create any excavation or fill upon, or shall change the

natural existing drainage of, or shall destroy or remove any tree, shrub, or other vegetation upon Common Area, except as necessary for proper maintenance and replacement of such trees, plants and vegetation.

(b) If the Association or Grantor proposes to construct, reconstruct or alter the exterior of, any Improvement located or to be located upon Common Area, or do any act that could result in any change in the topography thereof, the Association or Grantor shall first obtain the Architectural Control Committee's approval pursuant to the procedures, requirements and provisions as provided for Improvement of Lots and Project Areas. The Architectural Control Committee shall approve the plans and specifications submitted to it pursuant to this paragraph only if it finds that such Improvement (i) is reasonably necessary for a utility installation serving any property within the Subdivision, (ii) is desirable in order to provide or improve access to or to enhance the use and enjoyment of Common Area, (iii) is desirable to protect, support or preserve any property within the Subdivision, (iv) is desirable for the construction of a recreational facility, or (iv) is necessary or desirable because of a change of use of the property within the Subdivision.

ARTICLE 4

Architectural Control Committee

Section 4.1. Architectural Control Committee: Organization; Power of Appointment and Removal of Members There shall be an Architectural Control Committee called The High

Resort Village Community Association Architectural Control Committee, organized as follows:

(a) The Architectural Control Committee shall consist of not more than five (5) members. Each of such persons shall hold his office until such time as he has resigned or he has been removed or his successor has been appointed, as set forth herein.

(b) Except as provided in paragraph (c) below, the right from time to time to appoint and remove all members of the Architectural Control Committee shall be, and hereby is, reserved to and vested solely in Grantor.

(c) the right from time to time to appoint and remove members from the Architectural Control Committee shall be reserved to and vested in the Association (i) in each instance where Grantor fails to respond, for ten (10) days after receipt, to a written request from any interested person to exercise its rights hereunder, or (ii) at all times after Grantor records a declaration waiving such rights, or (iii) at all times when Grantor owns no Lots within the Residential Area, unless Grantor subsequently owns Lots within the Residential Area by reason of the annexation of property to the Subdivision.

(d) Any member of the Architectural Control Committee may at any time resign from the Architectural Control Committee upon written notice delivered to Grantor or to the Association, whichever then has the right to appoint and remove members.

Section 4.2 Architectural Control Committee: Duties. It shall be the duty of the Architectural Control Committee to

consider and act upon such proposals or plans from time to time submitted to it pursuant to these Restrictions, to adopt Architectural Control Committee rules, and to perform such other duties from time to time delegated to it by or pursuant to these Restrictions.

Section 4.3 Architectural Control Committee; Meetings; Actions; Compensation and Expenses. The Architectural Control Committee shall meet from time to time as necessary to perform its duties properly hereunder. The vote or written consent of the majority of members shall constitute an act by the Architectural Control Committee unless the unanimous decision of its members is otherwise required. The Architectural Control Committee shall keep and maintain a record of all action from time to time taken by the Architectural Control Committee at such meetings or otherwise. Unless authorized by the Grantor during the period Grantor retains the power to appoint or by the Association thereafter, the members of the Architectural Control Committee shall not receive any compensation from the Association for services rendered.

Section 4.4. Architectural Control Committee Rules. The Architectural Control Committee shall have the exclusive power to adopt, amend and repeal from time to time and by unanimous vote, rules and regulations, to be known as "Architectural Control Committee Rules", which interpret or implement the provisions of these Restrictions (and which shall include any regulations made pursuant to the authority granted to The High Resort Village

Community Association). A copy of the Architectural Control Committee Rules, as they may from time to time be adopted, amended or repealed, certified by any member of the Architectural Control Committee, shall be maintained with the corporate records of the Association and shall be available for inspection by members.

Section 4.5. Non-Waiver. The approval of the Architectural Control Committee of any plans, drawings or specifications for any work done or proposed, or in connection with any other matter requiring the approval of the Architectural Control Committee under these Restrictions, shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or matter whenever subsequently or additionally submitted for approval.

Section 4.6. Estoppel Certificate. Within thirty (30) days after written demand therefor is delivered to the Architectural Control Committee or its designated agent by any Owner, and upon payment therewith to the Association of a reasonable fee from time to time to be fixed by the Association, the Architectural Control Committee shall provide the Owner with an estoppel certificate executed and acknowledged by any one of its members, certifying with respect to any Lot of said Owner, that as of the date thereof either (a) all Improvements and other work made or done upon or within said Lot by the Owner, or otherwise, comply with these Restrictions, or (b) such Improvements and work do not so comply, in which event the

certificate shall also (i) identify the non-complying Improvements and work and (ii) set forth with particularity the cause or causes for such non-compliance.

Section 4.7. Liability. Neither the Grantor, the Board, the Architectural Control Committee nor any member thereof shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of:

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

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

(c) The development or manner of development of any property within the Subdivision, including Project, or

(d) The execution and recording of an estoppel certificate whether or not the facts therein are correct; provided, however, that the officer executing the certificate, with the actual knowledge possessed by him, has acted in good faith.

Without in any way limiting the generality of the foregoing, the Board, the Committee, or any member thereof, may, but is not required to consult with or hear any owner with respect to any plans, drawings, or specifications, or any other proposal submitted to it.

ARTICLE 5

Provisions Relating to Zero Lot Line Houses (Townhouses)

Section 5.1. Application. Any single family dwellings not part of a Project which are constructed on Lots in the Residential Area in such a manner that parts of two (2) or more of such dwellings each on its own lot share a common wall or roof

or other common parts, or if a structural part of the dwelling is on or abuts the lot line, the lots containing such dwellings and any lot sharing the lot line on which the structural part of any such dwelling is on or abuts shall be subject to the provisions of this Article and may be referred to as "townhouses" in the Declaration.

Section 5.2. Obligation of Owners. Where such dwellings share common parts, it is the obligation of each Owner to keep his structure in good condition and repair and to repair or replace any damage to the common elements of both dwellings caused by his (or his family's or invitee's) negligence or willful act, subject to Article 3 above.

Section 5.3. Easement for Repair and Maintenance. Each such Owner has an easement to enter onto the adjoining property of the other at reasonable times for the purpose of maintenance, repair and reconstruction of his dwellings and utilities, provided that the property of the other Owner is returned to the condition in which it was found and that there is no undue delay in the completion of the work. Each Owner shall cooperate in the repair and replacement of common elements not caused by negligence or fault for which either Owner is responsible.

Section 5.4. Easement for Roof Overlap. Each Owner has an easement to maintain any roof and eave overhang onto the adjoining property not exceeding three (3) feet and for drainage and run off from such roof.

Section 5.5. Design and Color. Where such dwellings share common parts, no Owner shall change the design of his dwelling as it affects the common elements or the exterior colors of his dwelling without the consent of the Association and other Owner. The color of any such units shall at all times be uniform unless otherwise approved by the Architectural Control Committee.

Section 5.6. Arbitration. In the event of a dispute between or among Owners with respect to the interpretatic or effect of the provisions of this Article V, or any matter arising hereunder, any Owner may cause the same to be referred to the Architectural Control Committee for binding arbitration in accordance with the New Mexico Uniform Arbitration Act and the then prevailing rules of the American Arbitration Association. In the event of arbitration, notice thereof shall be given to the Board and to all affected Owners as promptly thereafter as possible, and the Association and all affected Owners shall have the right to appear in such arbitration proceedings. The decision of the Architectural Control Committee may, for good cause, include in its decision any award for costs and/or attorney's fees against any one or more parties to the arbitration, and otherwise the Architectural Control Committee's costs shall be paid by the Association as a common expense and each party shall bear his, her or its own attorney's fees and other costs. The award or decision may be confirmed and enforced by any court of competent jurisdiction.

ARTICLE 6

Streets, Easements, Reservations and Rights of Way

Section 6.1. Nature of Reservations. Easements, reservations and rights of way shall be reserved on and across Common Areas for the erection, construction and maintenance of:

(a) Wires and conduits for the transmission of electricity, telephone, television and other purposes, pipes and mains for water, gas and heating, and for other utilities and services and their necessary and proper attachments.

(b) Public and private sewers, storm drains and land drains.

(c) Golf cart driveways and pedestrian paths.

(d) Waterways, parkways and berms.

(e) Any other method of conducting or performing any public or quasi-public utility function or use on or beneath the surface of the ground.

(f) Ingress and egress to and from any lots for development and/or construction purposes.

Section 6.2. How Reservations Are Made. Such easements, reservations and rights of way shall be as designated on the Subdivision Map, and additional easements, reservations and rights of way may be reserved by the Grantor, and may be granted by the Association.

Section 6.3. Consent of Architectural Control Committee. No house, building or other structure of any kind shall be built, erected or maintained upon any such easement, reservation or

right of way without the express consent of the Architectural Control Committee, and such easements, reservations and rights of way shall, at all times, be open and accessible to the appropriate public and quasi-public utilities, and to Grantor, all of whom shall have the right to ingress and egress thereto and therefrom, and the right and privilege of doing whatever may be necessary in, under and upon said locations for the carrying out of any of the purposes for which said easements, reservations and rights of way are hereby reserved, or may hereafter be reserved.

Section 6.4. Extinguishing Such Reservations. The Association, or Grantor with the consent of the Association, shall have the right at any time to extinguish such easements, excepting ingress and egress easements which shall be deemed appurtenant to the Lot(s) served and cannot be vacated or changed so to materially interfere with access to and from the Lot(s) by Owners of the Lot(s) and rights of way, provided that the consent of the holder or owner of any such easement or right of way has been obtained.

Section 6.5. Clearing Reserved Area. Grantor, or the Association, or a user of the easement with the permission of Grantor or the Association, shall have the right at any time to cut and remove any trees or branches from such easements, reservations and rights of way as may be reasonably necessary for their use.

ARTICLE 7

The High Resort Village Community Owners Association

Section 7.1. Organization.

(a) The Association shall be organized as a non-profit membership corporation charged with the duties and empowered with the rights herein set forth; its affairs shall be governed by these Restrictions and to the extent not inconsistent herewith its Articles of Incorporation and By-Laws.

(b) In the event that the Association as a corporate entity is not formed or after formation loses its corporate powers or is dissolved, a non-profit, unincorporated association shall forthwith and without further action or notice be formed and succeed to all the rights and obligations of the Association hereunder until a qualified non-profit corporation is formed. Said unincorporated association shall be known as The High Resort Village Community Owners Association and its affairs shall be governed by these Restrictions and , to the extent not inconsistent therewith, by said Articles of Incorporation and By-Laws, respectively, as if they were created for the purpose of governing the affairs of an unincorporated association.

(c) The governing body of the Association shall be elected at an annual or special meeting not later than one (1) year from the date of incorporation of the Association, and at the annual meeting each year thereafter.

Section 7.2. Membership.

(a) Each Owner by virtue of being an Owner (except for the Association) and for so long as he is an Owner, shall be a member of the Association, or a member of the preceding or succeeding unincorporated association taking its place, except that an Owner shall not be a member by virtue of owning Common Areas, Neighborhood Common Areas, Limited Common Areas, Project Common Areas, property owned by government or public bodies or dedicated to public use, or exempted from assessment.

(b) The rights, duties, privileges and obligations of an Owner as a member of the Association or its preceding or succeeding unincorporated association shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of these Restrictions and the Association's Articles and By-Laws.

(c) In the event of the failure to incorporate the Association or the dissolution of the Association and the formation of an unincorporated association, each member of the unincorporated association shall have an equal, underlying beneficial interest in all of the Association's property transferred to or for the account or benefit of said unincorporated association in direct proportion to the number of votes allocated to the Lots owned by such member; provided however, that there shall be no judicial partition of such property, or any part thereof, nor shall any such member or other

person acquiring any interest in said property, or any part thereof, seek any such judicial partition.

Section 7.3. Classes of Membership. The Association shall have two (2) classes of Membership, Class I and Class II.

(a) Class I. All members shall be Class I members except Grantor and shall be entitled to votes as follows:

(1) Ownership of a Lot zoned or designated for a single family or townhouse use, whether unimproved or improved—one (1) vote.

(2) Ownership of a Lot zoned or designated as a Project, but not yet improved, or resubdivided as a Project (whether such resubdivision or divisions are accompanied by a subdivision map or by a recorded declaration)—one (1) vote.

(3) Ownership of a residential Project Unit whether or not improved, but subdivided either by a map or by a recorded declaration—one (1) vote.

When more than one person holds an interest in any Lot or Unit as Owner, all such persons shall be members. The vote for such unit shall be exercised as such Owners determine, and in no event shall such multiple Owners vote more votes than they are entitled by the Lots or Units owned.

(b) Class II. The Grantor shall be the only Class II member and shall be entitled to three votes for each Lot or Unit owned by Grantor prior to the initial conveyance of such Lot or Unit by Grantor (the assignment or conveyance of all of Grantor's interest in the project shall not be such an initial conveyance). The Class II membership of Grantor shall terminate upon the sale of the last Lot owned by it which has been or is subject to annexation into The High Resort Village Community.

Section 7.4. Membership Voting Rights. Owners shall be entitled to the vote(s) for each Lot or Unit owned by such Owner as set out in Section 7.3 on all matters properly submitted for vote to the membership of the Association. The right to vote may not be severed or separated from the Owner's rights in any Lot, and any sale, transfer, or conveyance of the beneficial interest of the fee of any Lot to a new Owner shall operate to transfer the appurtenant vote without the requirement of any express reference thereto. Voting may not be done by Project Committees for Project Owners but voting may be by written proxy. No Project Unit shall be treated as a separate Lot for voting purposes until it has first been subdivided by a final, recorded Subdivision map or Condominium Declaration.

Any provision of these Restrictions requiring a vote by Owners shall be satisfied if the required number of Owners give their written consent. In any election held pursuant to the requirements of these Restrictions, ballots may be transmitted to Owners in the manner provided for the giving of notice by these Restrictions. If at any time the members other than Grantor do not have a sufficient percentage of voting power to elect at least one (1) director to the Board through the accumulation of all of their votes, Grantor at the annual election of the Board or at any other election of the entire Board shall be allowed to vote for no more than one (1) less than the total number of directors positions on the Board.

Section 7.5. Rights of Members to Use Common Areas. Members or members of their families who actually reside with them within the Subdivision have a right to use the Common Areas on a non-exclusive basis subject to the Association Rules.

Section 7.6. Duties and Obligations of the Association. The Association shall have the obligation and duties, subject to these restrictions, to do and perform each and every of the following for the benefit of the Owners and for the maintenance and improvement of the Subdivision.

(a) The Association shall accept as part of the Subdivision all property annexed to the Subdivision and shall accept all Owners as members of the Association.

(b) The Association shall accept from Grantor the fee or leasehold estate in all Common Area from time to time transferred to it, subject to the reservation of all easements, licenses and rights to use, and the rights of Grantor.

(c) Immediately prior to any dissolution or incapacity of the Association as a corporate entity the Association shall transfer its estate in Common Area to an independent corporate trustee to hold Common Areas in trust for the benefit of the unincorporated association formed pursuant to this Article and for the benefit of the Owners. If for any reason this is not done, it shall immediately be done by the succeeding unincorporated association and such conveyance may be compelled by any Owner.

(d) The Association shall maintain, or provide for the maintenance of, Common Area, the Limited Common Area and all Improvements thereon including, without limitation, recreational facilities, in good order and repair, provided, that the Association shall have no maintenance responsibility with respect to the Improvements installed by other than the Association or Grantor, pursuant to easements, licenses and rights of use.

(e) Upon thirty (30) days written notice, the Association may enter upon and maintain, or provide for the maintenance of any Lot, Neighborhood Common Area or Project Area which is not maintained by the Owner, Neighborhood Association or Project Committee thereof in accordance with the requirements of these Restrictions, at the expense of any such Owner, Neighborhood Association or Project Committee.

(f) To the extent not assessed to or paid by the Owners, the Association shall pay all real property taxes and assessments levied upon Common Area, Limited Common Area and Neighborhood Common Area.

(g) The Association shall obtain and maintain in force such policies of insurance as shall be deemed necessary or desirable by the Board of Directors.

Each policy of fire and extended coverage insurance and all other policies of insurance obtained by the Association whether or not required to be obtained pursuant to the provisions of these Restrictions, shall expressly waive any and all rights of subrogation against Grantor, its representatives and employees,

the Association and any Owner. The policy or policies referred to above shall name the Grantor, Association, their representatives, members, and employees, and the Owners as insureds, and such policy or policies shall protect each of the insureds, as if each were separately insured under separate policies; provided, however, that such policy or policies shall not require the insurer or insurers thereof to pay any amount in excess of the maximum limits stated therein. Each year the Association shall review the policy or policies carried pursuant to this paragraph, and shall take such action as may be necessary to assure that the amount of insurance adequately covers the risks of loss against which such policy or policies insure.

(h) The Association shall from time to time make, establish, promulgate, amend and repeal the Subdivision Rules.

(i) The Association shall take such action, whether or not expressly authorized by these Restrictions, as may reasonably be necessary to enforce or carry out the restrictions, limitations, covenants and conditions of these Restrictions and the Subdivision Rules.

Section 7.7. Powers and Authority of the Association. The Association shall have all of the powers set forth in its Articles of Incorporation, its By-Laws and in these Restrictions, to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of these Restrictions and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of

any of the express powers of the Association or for the peace, health, comfort, safety and general welfare of Owners and Members. Without in any way limiting the generality of the foregoing:

(a) In fulfilling any of its obligations or duties under these Restrictions, including, without limitation, operation or administration of Common Area, the Association shall have the power and authority:

(1) To contract and pay for, or otherwise provide for, the maintenance, restoration and repair of the Common Area and all Association improvements of whatever kind and for whatever purpose from time to time located upon Common Area and procure all necessary utility and other services therefor;

(2) To obtain, maintain and pay for such insurance policies or bonds as the Association shall deem to be appropriate for the protection or benefit of this Subdivision, the Association, the members of the Board or Owners.

(3) To incur indebtedness, but if any indebtedness would require for payment or amortization thereof, an increase in dues over the level for the previous year plus allowed increases, such indebtedness and the terms thereof must be approved by the Class I members by the same procedure for increasing dues and have written approval of the Class II member.

(4) To contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants, and such other professional and non-professional services as the Association deems necessary;

(5) To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary;

(6) To pay and to discharge any and all liens from time to time placed or imposed upon any Common Area, on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration; and

(7) To purchase, lease or contract for the use of land and improvements for recreational or other purposes to the extent the Association deems necessary. However, the purchase or construction of any capital asset or improvement must have the approval of the Class I members and the written consent of the Class II member if the item is not an approved budget item or if it is not an item for which there has been established and funded a sinking fund for the item purchased or constructed.

(8) To construct and pay for security service.

(b) With respect to its estate in Common Area, the Association shall have the power and authority from time to time to grant and convey easements or rights of way, in, on, over or under any Common Area, for the purpose of constructing, erecting, operating and maintaining utility lines and facilities and other lines or facilities for the benefit of the Subdivision or Owners.

(c) The Association may employ the services of a professional manager or managers to manage the affairs of the Association and any part of its Common Area, and, to the extent not inconsistent with the laws of the State of New Mexico and upon such conditions as are otherwise deemed advisable by the Association, the Association may delegate to the manager any of its powers under these Restrictions. Any contract with such a professional manager shall be considered a service contract and subject to the provisions of these Restrictions relating to such contracts.

(d) The Association shall have the right from time to time to pay, compromise or contest any and all taxes and assessments levied against all or any part of common area or upon any personal property belonging to the Association.

(e) The Association shall have the power and authority from time to time, in its own name, and on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of these Restrictions and to enforce, by mandatory injunction or otherwise, all of the provisions of these Restrictions and shall not be required to post bond to support such actions.

(f) The Association may bill with its own assessments the regular assessments of Neighborhood Associations, charging such associations for the actual cost of such services and may administer the affairs of such Associations, including maintenance of Neighborhood Common Areas, assessments, collection of delinquent assessments and enforcement of restrictions, keeping of membership books, purchase of insurance, payment of taxes, administration of corporate affairs, and may enter into service or other contracts for such services, and subject to the power of the governing board of any such Neighborhood Association to set assessments, set cost limits on service and other contracts, set limits of insurance coverage and exercise other powers granted to such governing board by these Restrictions. The Association while administering the affairs of such associations may enforce the obligations of such Neighborhood Associations by suit or otherwise in the name of any such Neighborhood Association or in the Association's name.

Section 7.8. Subdivision Rules.

(a) The Association may, from time to time, and subject to the provisions of these Restrictions, adopt, amend and repeal rules and regulations, to be known as the "Subdivision Rules" governing:

(1) The use of Common Area and recreational facilities; provided members and the purchaser or tenant of any Lot or Unit who is granted a member's use in place and stead of such member shall be treated on a non-discriminatory basis and shall not be deprived of use except for suspension of their rights set out in (2) below, subject to regulations as to time and method of use, including allocations of time for specific groups using such facilities (e.g. for classes or competition), reasonable restrictions based on age, and rules necessary or convenient for safety.

(2) The suspension of the voting rights and the use of common area and facilities of a member, and all persons using such member's privileges, by the Board for violation of the Restrictions, the Association's Articles and By-Laws, or the Subdivision Rules, such suspension to be limited to a period of not longer than ninety (90) days after curing an violation; and similar suspension of voting rights and use for the failure to pay assessments extending for the entire period of non-payment. An opportunity for hearing will be given any Member whose privileges are so suspended prior to the effective date of the suspension in accordance with the Association By-Laws.

(3) Penalties, including monetary fines and assessments, and other enforcement rights of the Association for breach of the Subdivision Rules or Architectural Control Committee Rules.

(b) The Subdivision Rules may without limitation and to the extent deemed necessary by the Association regulate the use of the Common Areas subject to the rights of members set forth in Paragraph (a)(1) above, and the Grantor's rights, which shall not be limited, and which rules may entirely exclude use of such

areas to invitees of members and others not having rights to use on a non-discriminatory basis.

(c) A copy of the Subdivision Rules, as they may from time to time be adopted, amended or repealed, shall be mailed to each member and posted but the failure to properly mail and post shall not invalidate the Subdivision Rules or prevent their enforcement. The Subdivision Rules shall have the same force and effect as if they were set forth in and were a part of these Restrictions.

Section 7.9. Liability of Member of Board. No member of the Board shall be personally liable to any Owner, Neighborhood Association, Project Committee, or to any other person, including Grantor, for any error or omission of the Association, its representatives and employees, the Architectural Control Committee, or the manager; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

ARTICLE 8

Funds, Assessments and Delinquency

Section 8.1. Creation of Lien and Personal Obligation for Assessments. Grantor, for each Lot and Project Unit owned by it, hereby agrees to pay, and each Owner of any Lot or Project Unit within The High Resort Village Community, as it may from time to time be added to by annexation, by the acceptance of a deed or contract of sale therefor, whether or not so expressed in any such deed or contract, or other conveyance, is deemed to

agree to pay the Association, (1) maintenance assessments; (2) special assessments; (3) assessments for capital improvements; and (4) all other fees or other moneys due to the Association from such Owner. The maintenance assessment, special assessment and assessment for capital improvements, plus interest, late charges, costs and attorney fees, shall be a charge against the land and shall be a continuing lien upon the lot or project unit against which each such assessment is made, and shall also be the personal obligation of the Owner or Owners of such property on the assessment date. The personal obligation to pay assessments shall not pass to successors in title unless expressly assumed by them.

Section 8.2. Maintenance Assessment.

(a) Within thirty (30) days prior to the commencement of each calendar year, the first day of which shall be the "assessment date", the Association shall estimate the costs and expenses to be incurred by the Association during such fiscal year in performing its functions under Article 8 (including a reasonable provision for contingencies and replacements), except those functions which relate to the purchase or development of capital improvements which must be approved by the members, and shall subtract from such estimate an amount equal to other projected revenues and surplus balances not needed for reserves and contingencies. The sum or net estimate so determined shall be assessed to all Owners not exempt, in shares as provided in Section 8.4, as a maintenance assessment.

(b) If at any time and from time to time during any fiscal year the maintenance assessment proves or appears likely to prove inadequate for any reason, including nonpayment of any Owner's share thereof, the Association may levy a further assessment in the amount of such actual or estimated inadequacy, which shall be assessed to Owners in shares as provided in Section 8.4.

The maintenance assessment shall not be increased for any year by more than the prior year's increase reflected by the Consumer Price Index, all items, as published by the Bureau of Labor Statistics of the Department of Labor, or other comparable index in the event the Consumer Price Index ceases to be published, without the approval of the Class I members, and the consent of the Class II member, but the percentage increase shall be cumulative and any amount not used in one year may be used in later years. For purposes of implementing this paragraph, January 1, 1990, shall be the base index rate for determining any increases.

Section 8.3. Assessments for Capital Improvements and Indebtedness. The Association may also levy in any fiscal year an assessment for paying or returning in whole or in part the cost of acquisition, construction, reconstruction, repair or replacement of a described capital improvement to the Common Area (whether the improvement constitutes real or personal property) and/or retiring indebtedness of the Association, in an amount aggregating in excess of $10,000.00 in any year, only if the

consent of the members has been obtained as provided in Section 7.4.. Any such assessment for capital improvements and indebtedness shall be assessed to Owners in shares as provided in Section 8.4..

Section 8.4. Uniform Rates and Due Dates. Maintenance assessments and assessments for capital improvements and indebtedness shall be fixed at a uniform rate for all Members of each Class as follows: Class I Members shall be assessed one share for each Lot or Project Unit owned, and the Class II Member shall be assessed one share for each three (3) Lots or Project Units owned. Due dates for assessments shall be established by the Board from time to time.

Section 8.5. Special Assessment. The Association shall levy a special assessment against any Owner as a result of whose acts, or the acts of his tenant, family or invitees, or failure or refusal to act in violation of these Restrictions, or the Architectural Control Committee Rules or Subdivision Rules, moneys were expended from the funds of the Association in performing its functions. Such assessment shall be in the amount so expended, and shall be due and payable to the Association when levied and notice given. A special assessment may also be levied against such Owner to collect any fee or charge pursuant to the authority of these Restrictions, due to the Association from Owner or Owners and not paid within thirty (30) days.

Section 8.6. Penalty Assessments. Penalty assessments may be imposed for violation of the Architectural Control

Committee Rules or Subdivision Rules, pursuant to the procedures established from time to time by the Board of Directors. Such assessments shall be those punitive in nature and may be imposed without regard to whether or not monies have been expended by the Association as a result of such violation. Notice of the intent of the Board of Directors to impose such assessments, provisions for hearing and appeal shall be established by resolution of the Board of Directors.

Section 8.7. Notice of Assessment. The Association shall give each Owner assessed thirty (30) days written notice of such assessments, the date of assessment, the due date or dates giving the amount of such assessment and if applicable, an itemization of the various assessments being made.

Section 8.8. Date of Commencement of Regular Assessments. The regular assessments provided for in this Article shall commence as to all Lots on the first day of the month following the recording of these Restrictions and as to later annexed Lots on the sixty-first (61st) day following the recording of the declaration annexing such lots.

Section 8.9. Certificate of Payment. The Association shall, upon demand, furnish to any Owner liable for assessments, a certificate in writing signed by an officer or managing agent of the Association, setting forth whether the regular and special assessments on such Owner's Lot or Unit have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such

certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8.10. Exempt Property. The following property subject to these Restrictions shall be exempt from the maintenance and capital improvement and indebtedness assessments: (a) Common Area, (b) Neighborhood Common Areas, (c) Limited Common Areas, (d) Project Common Areas, and (e) any Lot or Unit owned by a Mortgagee which is acquired by foreclosure or by deed in lieu of foreclosure for so long as it remains the property of such Mortgagee and remains unoccupied, as more specifically defined in Article 10 hereof.

Section 8.11. Delinquency. Any assessment provided for in this Article, which is not paid when due, shall be delinquent. With respect to each assessment not paid within fifteen (15) days after its due date, the Association may, at its election, require the owner to pay a "late charge" in a sum to be determined by the Association, but not to exceed $10.00 or six percent (6%) of the assessment amount due whichever is greater regardless of the number of individual assessments due. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the then maximum lawful rate permitted for secured indebtedness (but if none is specified, then at the judgement rate) under the laws of the State of New Mexico, and the Association may, at its option, bring an action at law against the Owner or Owners personally obligated to pay the same, or upon compliance with the

notice provisions set forth in Section 8.12, to foreclose the lien provided for in Section 8.13 and there shall be added to the amount of such assessment the late charge, interest, and the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall also include interest at the rate provided herein and a reasonable attorney's fee, together with the costs of action. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosure against such Owner or other Owners for the collection of such delinquent assessments.

Section 8.12. Notice of Lien No action shall be brought to foreclose an assessment lien, (however, no notice shall be required to perfect the lien for the assessment) as herein provided less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, return receipt requested, to the Owner of said Lot, at the address of Owner as registered in the Association office. Said notice of claim must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which shall include the interest charges and late charges), and the name and address of the Association.

Section 8.13. Foreclosure Sale. Any sale after foreclosure shall be conducted in accordance with the laws governing foreclosure sales in the State of New Mexico. The

Association, through its attorneys and duly authorized agents, shall have the power to bid on the Lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same and may bid the amount of the foreclosure decree in lieu of cash.

Section 8.14. Curing of Default. Upon the timely curing of any default for which a notice of claim of lien was sent by the Association, the Association shall, upon request, provide a certificate of payment as provided under Section 8.9.

Section 8.15. Cumulative Remedies. The assessment lien and the rights to foreclosure and sale thereunder shall be in addition and not in substitution for any other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

ARTICLE 9

Neighborhood Association

Section 9.1. Organization and Membership. The organization and membership of a Neighborhood Association shall be as set out for The High Resort Village Community Association in Article 7 and for that purpose Sections 7.1 through 7.5 are incorporated herein with the following changes and modifications of terms.

(a) The terms "Association" and "The High Resort Village Community Association" shall refer to the Neighborhood Association.

(b) The terms "Owner" or "Owners" shall refer to Owners within the Neighborhood as set out in the Declaration establishing it.

(c) The term "Common Area" shall refer to the Neighborhood Common Area.

(d) The term "Subdivision" shall refer to the Neighborhood.

Section 9.2. Duties and Obligations. A Neighborhood Association shall have the obligation and duties subject to these Restrictions to perform as set out for The High Resort Village Community Association in Section 7.6, which is incorporated herein with the following changes and modifications:

(a) The changes and modifications of terms set out in Section 9.1(a) through (d).

(b) The deletion of Paragraphs (e) and (i).

(c) The Neighborhood Association may with the same authority and on the same basis as the Association promulgate, amend and repeal Subdivision Rules governing the use of its Neighborhood Common Areas.

Section 9.3. Powers and Authority. The powers and authority of a Neighborhood Association are as set out for The High Resort Village Community Association in Section 7.7 through 7.9 with the following changes and modifications:

(a) The changes and modifications in terms as set out in Section 9.1 (a) through (d).

(b) The deletion of Section 7.7 (f).

Section 9.4. Funds, Assessments and Delinquency. Neighborhood Associations shall have the funds, assessments and rights of enforcement set out for The High Resort Village Community Association in Article 8 which is incorporated herein, with the changes and modifications in terms set out in Section 9.1 (a) through (d).

ARTICLE 10

Protection of Security Interests

Section 10.1. Application of Assessments to Mortgagees. The liens created under these Restrictions upon any Lot or Unit shall be subject to, and shall not affect the rights of a first Mortgagee (as a first Mortgagee but shall be enforceable as a second Mortgage on the Unit) under any recorded first Mortgage upon a Lot or Unit made in good faith and for value. After purchase of the Lot or Unit at foreclosure sale by a first Mortgagee or the date the Mortgagee obtains possession of the Lot or Unit, whichever is later, the Lot or Unit so acquired shall become exempt from liability for payment of assessments and shall remain exempt for so long as the Unit or Lot is owned by the Mortgagee and remains unoccupied. Occupancy of the Lot or Unit by any person shall again make such Lot or Unit and the Owner(s) thereof liable for payment of assessments, regardless of whether or not the Unit is subsequently vacated, unless due to another foreclosure action.

Section 10.2. No Amendment Affects Mortgagees. No amendment to these Restrictions shall adversely affect the rights

of any Mortgagee who does not join in the execution thereof, as to Mortgages recorded prior to the date such amendment is recorded.

Section 10.3. Limitation of Enforcement Against Mortgagee. No violation of these Restrictions or enforcement of these Restrictions shall defeat or render invalid the lien of any first Mortgage when such Mortgage is made in good faith and for value but these Restrictions shall be effective against any person whose title to property within the Subdivision is acquired by foreclosure, voluntary conveyance or otherwise.

Section 10.4 Application of Project Restrictions. Except as provided in this Article or specifically provided elsewhere in these Restrictions, all Mortgages and Mortgagees are bound by the provisions of these Restrictions.

Section 10.5. Notice to Mortgagees. If a holder, insurer or guarantor of a first Mortgage on any Lot or Unit in the Subdivision gives the Association a written request for notice and such request states the name and address of such Mortgage holder, insurer or guarantor and the Lot or Unit address it has a Mortgage on, the Association shall give notice of the following to such entity:

(a) Any condemnation or casualty loss that either affects a material portion of the Common Areas or the Lot or Unit securing its Mortgage;

(b) Any delinquency in the payment of assessments or charges owed by the Owner of any Unit or Lot upon which it holds a Mortgage;

(c) A lapse, material modification or cancellation of any insurance policy or fidelity bond maintained by the Association; and

(d) Any proposed action requiring the consent of a specified number of Mortgagees pursuant to this Declaration.

ARTICLE 11

Rights of Grantor

Section 11.1. Development of the Subdivision. Grantor is developing the Subdivision as a development containing townhouses, patio homes, planned unit developments, Common Areas and recreational areas, pursuant to its Master Plan as it may be amended from time to time, and all Owners of property within the Subdivision are hereby placed on notice of these plans and the right of Grantor to amend such plans at any time. The current Master Plan for The High Resort Village consists of an initial phase of forty-seven (47) Lots followed by possible later phases consisting of a total of one hundred twenty-five (125) other Lots. Grantor also reserves the right to suspend or cease development at any time.

Each person accepting a grant of property subject to these Restrictions hereby consents to such development and covenants not to oppose such development, including improvements, signs, parking areas and lighting provided that such development is not

in violation of the law. This Section shall not be construed as limiting the use of property within the Subdivision by its Owners. All oil, gas and mineral rights in, to and under the entire Subdivision are reserved to the Grantor.

Section 11.2. Limitation of Restrictions on Grantor. Grantor is undertaking the work of developing the Subdivision, without obligation to continue such work. The completion of that work and the sale, rental and other disposition of the property within the Subdivision is essential for its development. In order that the work may be completed and the property developed and fully occupied as rapidly as possible, nothing in these Restrictions shall be understood or construed to:

(a) Prevent Grantor or its agents, employees and contractors from going on the property within the Subdivision or any Lot or Unit thereof, whenever it is reasonably necessary or advisable in connection with the completion of its work;

(b) Prevent Grantor or its agents, employees and contractors from erecting, constructing and maintaining on any part or parts of the Subdivision, such facilities, structures and offices as may be reasonably necessary for the conduct of its business of completing the work and disposing of the Lots and Units by sale, lease or otherwise, including without limitation sales offices, model homes or Project Units, general business offices for its staff and employees, contractors and subcontractors, storage and parking facilities for materials and equipment and fabrication and assembly shops;

(c) Prevent Grantor from conducting on any part of the Subdivision its business of completing the work, and disposing of the Lots and Units;

(d) Prevent Grantor from maintaining such sign or signs in the Subdivision as Grantor deems necessary for its advertisement, and the sale, lease or disposition of any Lot, Unit or improvement;

(e) Prevent Grantor from making and constructing any improvements without the permission of the Architectural Control Committee during the period Grantor has the power to appoint the members of the Architectural Control Committee;

(f) Prevent Grantor from amending its Master Plan for the Subdivision from time to time as it deems fit, from combining or splitting Lots within the Subdivision or from applying for a change of zoning or use, or for a special use permit on any property within the Subdivision.

Section 11.3. Use of Subdivision Name. Grantor may use the name The High Resort Village Community and the name of the Association or of any Neighborhood Association in connection with other developments whether 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 High Resort Village Community, the Association and any Neighborhood Association. Consent is hereby given to Grantor and Grantor's assigns to use such names (distinguished as provided by this section) as the name of a Corporation and the New Mexico

State Corporation Commission is authorized to permit the filing of Articles of Incorporation using such names. No other person without the written consent of Grantor shall use the name The High Resort Village either alone or in conjunction with any other as the name of any building, apartment, business or office except that the Association is in no way restricted from the use of its name in connection with its business and activities.

Section 11.4. Grantor's Use of Common Area. Grantor may reserve in any grant of Common Area to the Association or any Neighborhood Association and does hereby reserve the following rights:

(a) To use any building as a sales center and to maintain therein a sales office with normal and customary office and communication equipment and to maintain therein personnel, maps, display cases, models and decorations; to use the adjacent parking facilities for itself, its agents, employees and invitees; and to use such facilities for such social events as Grantor feels are necessary or proper to promote or aid the Subdivision or Grantor.

(b) To use the facilities of the Association or of any Neighborhood Association transferred to the Association by Grantor for the purpose of promoting the sale of property within the Subdivision or of promoting the Grantor, to allow the use of such facilities to its officers, employees, agents, contractors and guests.

(c) To enter onto the Common Area for any purpose for the development or promotion of the Subdivision and Grantor. These rights reserved to Grantor shall terminate upon termination of the Class II class of Membership.

Section 11.5. No Amendment or Repeal. The provisions of this Article may not be amended or repealed without the consent of Grantor.

ARTICLE 12

Amendment, Repeal and Duration

Section 12.1. Amendment and Repeal. In addition to the rights reserved to Grantor to modify or supplement these Restrictions with respect to property annexed to the subdivision, and unless specifically provided to the contrary herein, these Restrictions, or any part hereof, as from time to time in effect with respect to all or any part of the Subdivision, and any limitation, restriction, covenant or condition thereof, may be amended or repealed upon (i) eighty percent (80%) vote of all owners and written consent of the Class II Member (while Class II Member exists), and (ii) the recordation of a certificate of the Secretary or an Assistant Secretary of the Association setting forth in full the amendment or amendments to these Restrictions so approved, including any portion or portions thereof repealed, and certifying that said amendment or amendments have been approved by a required eighty percent (80%) vote and if necessary by the written consent of the Class II Member.

Section 12.2. Duration. All of the limitations, restrictions, covenants and conditions of these Restrictions shall continue and remain in full force and effect at all times with respect to all property, and each part thereof, included within the subdivision, to the Owners of such property and to the Association, subject, however, to the right to amend and terminate, through December 31, 2020, unless within one (1) year prior to December 31, 2020, there shall be recorded an instrument directing the termination of these Restrictions signed by a majority of the then Owners. These Restrictions as they are in effect immediately prior to the above expiration date shall, subject to the foregoing provisions of this Section 12.2, be continued automatically, without any further notice, for additional periods of ten (10) years each unless within one (1) year prior to the expiration of any such period these Restrictions are terminated as set forth in this paragraph.

ARTICLE 13

Miscellaneous Provisions

Section 13.1. Enforcement; Non-Waiver

(a) Except to the extent otherwise expressly provided herein, Grantor and the Association or any Owner shall have the right, but not the obligation, to enforce any and all of the limitations, restrictions, covenants, conditions, obligations, liens and charges now or hereafter imposed by these Restrictions upon other Owners, or upon any property within the subdivision.

(b) Except to the extent otherwise expressly provided herein, Grantor and any Owner or Owners shall have the right, but not the obligation, to enforce any and all obligations now or hereafter imposed by these Restrictions upon the Association.

(c) Every act or omission whereby any restriction, condition or covenant of these Restrictions is violated in whole or in part is hereby declared to be and to constitute a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Grantor, the Association or by an Owner or Owners, as provided for in subsections (a) and (b) above; provided, only the Association or its duly authorized agents may enforce by self help any limitation, restriction. covenant, condition or obligation herein set forth.

(d) Each remedy provided for in these Restrictions is cumulative and not exclusive.

(e) The failure to enforce the provisions of any limitation, restriction, covenant, condition, obligation, lien or charge of these Restrictions shall not constitute a waiver of any right to enforce any such provision or any other provision of these Restrictions, except as provided herein.

Section 13.2. Construction; Compliance With Laws; Severability; Singular and Plural; Titles.

(a) All of the limitations, restrictions, covenants and conditions of these Restrictions shall be liberally construed, together, to promote and effectuate the beneficial operation of

the Subdivision and the Lots, Project Area, Common Area and Neighborhood Common Area located therein.

(b) No provision of these Restrictions 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 the provisions of Subsection (a) above, the limitations, restrictions, covenants and conditions of these Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision, or portion thereof, of any 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 these Restrictions, including those of articles and sections, are intended solely for convenience of reference and the same shall not be used to limit, nor shall any of them affect that which is set forth in such articles, sections nor any of the terms or provisions of these Restrictions.

Section 13.3. Lot Splitting; Consolidation

(a) No Lot shall be split unless the Architectural Control Committee and the Association shall have given their written consent.

(b) No two or more Lots within the Residential Area shall be consolidated into one Lot or combined for the purpose of building one residence thereon whether or not the Lots are consolidated, unless the Architectural Control Committee and the Association shall have given their written consent.

(c) Nothing contained in Subsection (a) or (b) above shall apply to the splitting of any Lot by Grantor or the consolidation of two or more Lots into one lot by Grantor, or the resubdivision into a Project of a Lot designated for the Project use.

Section 13.4. Transfer of Common Area; Reservation of Easements and Rights of Way. Grantor shall transfer and convey to the Association or Neighborhood Association, and the Association or Neighborhood Association shall accept, the fee title in all of the real property within the Subdivision designated by Grantor as "Common Areas" and not constituting the Common Area of a Project. Such real property may be subject to any or all of the following exceptions, liens and encumbrances:

(a) The lien of real property taxes and assessments not delinquent;

(b) Such easements and rights of way as may have been offered for dedication to the City of Rio Rancho, or any other political subdivision or public organization, or utility corporation;

(c) Such easements and rights of way, licenses or rights of use, on, over or under all or any part of any such property or structures or improvements thereon as may be reserved to Grantor

or granted to any Owner for the use thereof in accordance with the provisions of these Restrictions;

(d) Such easements and rights of way on, over or under all or any part thereof as may be reserved to Grantor and others for access to property contiguous to Common Area;

(e) The obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution or regulation of the United States of America, the State of New Mexico, or any other political subdivision or public organization having jurisdiction over such property, or by virtue of any organization or body politic created pursuant to any such statute, law, ordinance or regulation; and

(f) Patent reservations, mineral interests, these Restrictions and other restrictions, and any other lien, encumbrance or defect of title of any kind whatsoever (other than of the type which would at any time or from time to time create a lien upon such property to secure an obligation to pay money) which would not materially and actually prejudice Owners in their use and enjoyment of such property.

Section 13.5. Condemnation of Common Area. If at any time, or from time to time, all or any portion of Common Area, or Neighborhood Common Area, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, any award in condemnation or other resulting payment shall be paid to the Association and deposited into its operating fund.

No Owner shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation, such right of participation being herein reserved exclusively to the Association or neighborhood association which shall, in its name alone, represent the interest of all Owners.

Section 13.6. Destruction of Common Area. If Common Area is destroyed by fire or other casualty the Association shall have the improvements replaced or rebuilt if the Board of Directors determines that such rebuilding is in the best interest of the Owners and sufficient funds are reasonably available for such rebuilding.

Section 13.7. Obligations of Owners; Avoidance; Termination.

(a) No Owner through non-use of any Common Area or recreational facility, or by abandonment of his property, may avoid the burdens or obligations imposed on Owner by these Restrictions by virtue of being an Owner.

(b) Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such Lot after the date of such transfer, and no person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under these Restrictions following the date of such termination.

Section 13.8. Notices: Documents; Delivery. Any notice or other document permitted or required by these Restrictions 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 seventy-two (72) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to an Owner, then at any Lot within the Subdivision owned by the Owner or at such other address given by Owner to the Association, if the Association, Architectural Control Committee or Grantor then to 6201 Uptown Blvd. N.E., Suite 204, Albuquerque N.M. 87110, and provided, however, that any such address may be changed from time to time by any such Owner, by the Architectural Control Committee, or by Grantor by notice in writing, delivered to the Association, or by the Association, by notice in writing delivered to all Owners. If any mortgagee of an Owner files a written notice with the Association setting forth in detail the name or names of the Owner, mortgagee's address for notice and proof of its secured position, the Association will mail copies of all notices to such Owner to the Mortgagee; provided, however, the failure to do so shall not invalidate any such notice.

Section 13.9. Additional Covenants, Conditions and Restrictions. It is contemplated by this declaration that Grantor or purchasers of property within the Subdivision may, if allowed by law, further subdivide the property so purchased and may further encumber such property with additional declarations

of covenants, conditions, restrictions, limitation and terms and conditions of record for such purposes in connection with such further subdivisions as may be allowed by law. Such additional declarations of covenants, conditions, restrictions, limitations and terms and conditions are expressly contemplated and allowed by these Restrictions provided no such additional declaration shall conflict with any provision of these Restrictions. If there is any conflict between any additional declaration and these Restrictions, these Restrictions shall control and the provisions of the additional declaration to the extent they conflict with these Restrictions shall be void and unenforceable.

In witness whereof the undersigned, being the Developer of the High Resort Village and the Grantor herein, has caused its name to be signed.

HIGH RESORT I JOINT VENTURE,
a New Mexico general partnership

By D E Boyle

Boyle Construction Company
D.E. Boyle, President

STATE OF NEW MEXICO)
ss.
COUNTY OF SANDOVAL)

The foregoing instrument was acknowledged before me this 15th day of March, 1990, by D.E. Boyle of Boyle Construction Company on behalf of said corporation.

Brenda Elliott
NOTARY PUBLIC

My Commission Expires:
3/28/93

NOTARY PUBLIC STATE OF NEW MEXICO

The following persons or entities having an interest in the real property described in Exhibit "A" hereby consent to this Declaration:

High Resort I Joint Venture, a New Mexico general partnership, being the owner of the land located in the City of Rio Rancho, Sandoval County, New Mexico, more particularly described as follows:

Lots 4 thru 8, inclusive, Blk 1
Lots 11 thru 17, inclusive, Blk 1
Lots 19 thru 25, inclusive, Blk 1
Lots 2,3,5,6,8,16; Blk 2

of the High Resort Village Unit 1, recorded on February 27, 1987, in Rio Rancho Estates Plat Book No. 4, page 91, Instrument 97311.

By D E Boyle
D.E. Boyle, President
Boyle Construction Company

STATE OF NEW MEXICO)
ss.
COUNTY OF SANDOVAL)

The foregoing instrument was acknowledged before me this 15th day of March, 1990, by D.E. Boyle of Boyle Construction Company on behalf of said corporation.

Brenda Elliott
NOTARY PUBLIC

My Commission Expires:
3/28/93

MILTON C COX, a INDIVIDUAL, being the owner of the land located in the City of Rio Rancho, Sandoval County, New Mexico, more particularly described as follows:

Lot 16, Blk 2, of the High Resort Village Unit 1, recorded on February 26, 1987, in Rio Rancho Estates Plat Book No. 4, page 91, Instrument 97311.

Milton Cox

STATE OF NEW MEXICO)
ss.
COUNTY OF SANDOVAL)

The foregoing instrument was acknowledged before me this 14th day of March, 1990, by Milton Cox

Frances A Frangipane
NOTARY PUBLIC

NOTARY PUBLIC

My Commission Expires:
2/3/94

SCOTT C. ROLLINGER, a INDIVIDUAL, being the owner of the land located in the City of Rio Rancho, Sandoval County, New Mexico, more particularly described as follows:

Lot 18, Blk 2, of the High Resort Village Unit 1, recorded on February 26, 1987, in Rio Rancho Estates Plat Book No. 4, page 91, Instrument 97311.

Scott C. Rollinger

STATE OF NEW MEXICO)
ss.
COUNTY OF SANDOVAL)

The foregoing instrument was acknowledged before me this 14th day of March, 1990, by Scott C Rollinger

NOTARY PUBLIC

My Commission Expires:
3/3/94

John and Mikele Jennings, a married couple, being the owner of the land located in the City of Rio Rancho, Sandoval County, New Mexico, more particularly described as follows:

Lot 11, Blk 2, of the High Resort Village Unit 1, recorded on February 20, 1987, in Rio Rancho Estates Plat Book No. 4, page 91, Instrument 97311.

STATE OF NEW MEXICO)
ss.
COUNTY OF SANDOVAL)

The foregoing instrument was acknowledged before me this 12th day of March, 1990, by John M Jennings and Mikele Jennings

NOTARY PUBLIC

My Commission Expires:

113092

OFFICIAL SEAL
JOSEPH SIERRA
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Bond Filed With Secretary of State
My Commission Expires 11/30/92

EXHIBIT "A"

Lots	4	thru	8,	Inclusive,	Blk 1
Lots	11	thru	17,	Inclusive,	Blk 1
Lots	19	thru	25,	Inclusive,	Blk 1
Lots	2,3,5,6,8,10,11,15,16,18;				Blk 2

THE HIGH RESORT VILLAGE UNIT 1, AA SUBDIVISION OF A PORTION OF PARCEL 1E IN THE HIGH RESORT AS THE SAME IS SHOWN ON THE PLAT FILED FEBRUARY 26, 1987 IN THE OFFICE OF THE COUNTY CLERK OF SANDOVAL, NEW MEXICO IN VOLUME 3 OF RECORDS, FOLIO 629-B (RIO RANCHO ESTATES PLAT BOOK NO. 4, PAGE 91).

EXHIBIT "B"

A parcel of land being a portion of Parcel 1E of a Summary Plat in the High Resort entitled "SUMMARY PLAT, PARCELS 1A, 1B, 1C, 1D AND 1E, A REPLAT OF PORTIONS OF PANORAMA HEIGHTS NORTH UNITS 1 AND 2 AND A PORTION OF UNPLATTED PROPERTY, CITY OF RIO RANCHO, TOWN OF ALAMEDA GRANT, SANDOVAL COUNTY, NEW MEXICO." recorded on April 29, 1986 in the Rio Rancho Estates Plat Book No. 4, pages 72 and 73, Instrument No. 81760 on file in the office of the Sandoval County Clerk, Sandoval County, New Mexico and being more particularly described as follows:

That portion of Parcel 1E that is bordered by Broadmoor Drive to the West, The Gleneagles at High Resort to the North, The Rio Rancho Golf and Country Club to the East, and the High Resort Village Unit 1 to the South.