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MASTER DECLARATION OF CONVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR HUNING RANCH

STATE OF NEW MEXICO
COUNTY OF VALENCIA
FILED FOR RECORD
BK 356 PG 3303 OF 44

JUN 10 2004



AT 2:11 P.M.
TINA GALLEGOS, COUNTY CLERK
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AMTS 95.00
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BOOK 356

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THIS MASTER DECLARATION, made this 9th day of June, 2004, by Curb South LLC, a New Mexico limited liability company, hereinafter referred to as "Declarant."

Recitals

WITNESSETH:

WHEREAS, Declarant is the fee simple owner of certain real property and improvements in Valencia County, New Mexico, as may be designated from time to time by Declarant and made subject to this Declaration by Supplemental Declaration hereto, all hereinafter referred to as the "Property," and plans to develop such Property under a common plan of development;

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to this Master Declaration of Covenants, Conditions, Restrictions and Easements, and Supplemental Declaration, which Master Declaration of Covenants, Conditions, Restrictions and Easements and Supplemental Declaration shall be and are easements, restrictions, covenants and conditions appurtenant running with the land, and shall be binding upon and inure to the benefit of all parties having any right, title or interest in the real property set forth in **Exhibit A** or any part thereof, and their respective heirs, successors and assigns, as their respective interests may appear.

Article I

Definitions

Unless the context expressly requires otherwise, the following terms shall have the following meanings whenever used in the Master Declaration of Covenants, Conditions, Restrictions and Easements, the Association's Articles of Incorporation, or the Association's By-Laws:

Section 1. "Association" shall mean and refer to the Huning Ranch Owners' Association, Inc., a corporation not-for-profit organized pursuant to Section 53-8-1 et seq. of the New Mexico Statutes Annotated, as amended from time to time, and its successors and assigns.

Section 2. "Association Documents" shall mean the Association's Articles of Incorporation and By-Laws as the same may, from time to time, be amended and exist.

Section 3. "Board" shall mean the Board of Directors of the Association, whose duties shall be the management of the affairs of the Association subject to this Master Declaration and Association Documents.

Section 4. "Builder" means any person or entity who acquires a Lot from Declarant for the purpose of constructing thereon a single-family residence, either

attached or detached, and appurtenances, for resale in the ordinary course of business of such person or entity.

Section 5. "Common Area" shall mean all real property (including any improvements thereon) which shall, from time to time, be designated by Declarant for the common use and enjoyment of the Owners and conveyed to the Association in fee simple, or with respect to which the Association has been granted an easement; together with the rights-of-way, easements, appurtenances, improvements and hereditaments described in this Master Declaration, all of which shall be and are covenants running with the land at law.

Section 6. "Declarant" shall mean and refer to Curb South LLC, and its successors and assigns. If the Declarant assigns, with the prior written consent of Huning Limited Partnership (hereafter "HLP" which term includes its successors and assigns), which consent may be withheld by HLP in its reasonable discretion, the rights of the Declarant hereunder to a person or entity that acquires any portion of the Property from the Declarant for the purpose of development and resale, then, upon the execution and recording of an express written assignment with HLP written consent therein contained (an "Assignment and Consent") in the Public Records of Valencia County, New Mexico, such assignee shall be deemed the Declarant to the extent and only for such purposes as are set forth in the Assignment and Consent. HLP's consent to Declarant's assignment of its rights hereunder shall not be required if, as of the effective date of such assignment, Declarant owns in fee title all of the land currently shown within the Area Plan as Very Low Density, Low Density, Medium Density or Medium High Density Residential.

Section 7. "Dwelling" shall mean any structure built upon a Lot for the purpose of allowing natural persons to reside therein.

Section 8. "Entry Level" or "Affordable Housing" shall mean a Dwelling that contains between 950 to 1,100 square feet of heated and cooled living area, one and three-quarter (1¾) baths, and a two-car garage. No Dwelling is permitted, by this Declaration or by Supplemental Declaration, that contains less than 950 square feet of heated and cooled living area, one and three-quarter (1¾) baths, and a two-car garage, unless HLP approves in writing the terms of the Supplemental Declaration with respect to Property within which Dwellings not meeting these minimum requirements are permitted. Such approval may be withheld by HLP in its sole discretion.

Section 9. "Law" shall include any statute, ordinance, rule, regulation, or order validly created, promulgated or adopted by the United States, by the State of New Mexico, by the Village of Los Lunas, or by any of agencies, officers, municipalities, or political subdivisions thereof, and from time to time applicable to the Property or to any activities on or about the Property.

Section 10. "Major Developer" shall mean any person or persons designated as such by Declarant or by HLP in an instrument, including a Supplemental Declaration, Recorded in the Public Records of Valencia County, New Mexico, which person or

persons shall be developing Property which is zoned or otherwise designated or limited in the Master Plan for other than single-family use.

Section 11. "Master Declaration" shall mean this Master Declaration of Covenants, Conditions, Restrictions and Easements, as the same may be amended, renewed or extended from time to time in the manner herein prescribed. The term "Master Declaration" shall include, unless the context herein otherwise requires, any Supplemental Declaration that annexes Property, or any portion thereof, to this Master Declaration, whether or not the Supplemental Declaration modifies or supplements the Covenants and Restrictions contained in Article VI hereof applicable to the Property described in the Supplemental Declaration.

Section 12. "Master Plan" shall mean the Huning Ranch 2003 Area Plan amended October 30, 2003, and approved by the Village of Los Lunas' governing body on November 16, 2003, showing a total of 2,194.3 acres of land that is or may become subject to this Master Declaration.

Section 13. "Member" shall mean every person or entity who is an Owner and who shall by reason thereof be a member of the Association.

Section 14. "Mortgage" shall mean a mortgage, deed of trust, deed to secure debt and any and all other similar instruments given to secure the payment of an indebtedness.

Section 15. "Owner" shall mean and refer to the record owner, and if more than one person or entity, then to them collectively, of the fee simple title to any Residential Lot which is a part of the Property, so that for purposes of this Master Declaration and the Association Documents, as defined herein, each Residential Lot shall be deemed to have one Owner. Both the Declarant and Builders are Owners for all purposes under this Master Declaration, to the extent of each Residential Lot owned, except where expressly provided otherwise.

Section 16. "Owners' Association Rules" shall mean those rules and regulations that the Board shall from time to time adopt, promulgate, amend, revoke, and enforce to govern the use and maintenance of the Properties and Association procedures.

Section 17. "Person" shall mean an individual, corporation, partnership, trust, or any other legal entity.

Section 18. "Plat" shall mean a recorded subdivision map or plat of the Property, or any part thereof, recorded in the Public Records of Valencia County, New Mexico. The Plat for the initial phase of Huning Ranch is titled "Sundance" and is recorded at Plat Book _____, Page _____, of the Public Records of Valencia County, New Mexico. Plats for future phases for lands annexed to the control of this Master Declaration shall be referenced in the recorded annexation document for such future phase.

Section 19. "Project" refers to the land shown in the Master Plan and any additional property as may be added thereto by amendment of the Master Plan.

Section 20. "Property" and "Properties" shall mean all of the real property which shall be made subject to this Declaration by Supplemental Declaration, as described on the applicable Plat, including Sundance as described in Section 18 above, and such additional property as may be added thereto by annexation.

Section 21. "Public Improvement District" shall mean a Public Improvement District formed by the Village of Los Lunas pursuant to the New Mexico Public Improvement District Act, Sections 5-11-1 to 5-11-27 of the New Mexico Statutes Annotated, as amended from time to time.

Section 22. "Recorded" shall mean filed for record in the Public Records of Valencia County, New Mexico, or such other place as from time to time is designated by Law for providing constructive notice of matters affecting title of real property in Valencia County, New Mexico.

Section 23. "Residential Lot" shall mean and refer to a plot of land shown and identified by number upon any Plat of the Property now or hereafter made subject to this Master Declaration, which is zoned or otherwise designated or limited by the Declarant for single-family use, including single family homes that are not attached to other homes (commonly referred as to "detached") and single family homes that are attached to one or more other homes with one (1) or more walls in common, independent access and yards; provided, not more than one (1) Dwelling unit shall be contained on a Residential Lot.

Section 24. "Structure" shall mean any thing or object, the placement of which upon any Residential Lot may affect the appearance of such Residential Lot, including by way of illustration and not limitation, any building, or part thereof, garage, porch, shed, greenhouse, bathhouse, kennel, animal pen or run, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, sign, signboard, temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement to such Residential Lot, and any excavation, grading, fill, ditch, diversion, dam, or other thing or device which affects or alters the flow of any waters from, upon or across any Residential Lot.

Section 25. "Subassociation" shall mean any New Mexico nonprofit corporation or unincorporated association and its successors, organized and established by Declarant or Huning Limited Partnership, or by Huning Limited Partnership and a Major Developer, pursuant to or in connection with a Supplemental Declaration Recorded by Declarant and Huning Limited Partnership as provided in Article VIII, Section 12 below.

Section 26. "The Work" shall mean the initial development of the Property by Declarant and includes the sale of completed Residential Lots, with or without Dwellings, in the ordinary course of Declarant's business.

Section 27. "Unit" shall mean the land within a subdivision plat made subject to this Master Declaration by Supplemental Declaration.

Article II

Common Area

Section 1. Conveyance of Common Property. The Declarant or, where appropriate and acceptable to the Association, a Public Development District may from time to time designate and convey to the Association easements and/or fee simple title to real property to be the Common Area for the common use and enjoyment of the Owners, subject to this Declaration. The Association's title to all easements and all such conveyances of Common Area subject to the terms and conditions of this Declaration and the obligations set forth herein.

Section 2. Owner's Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Residential Lot; provided, however, that no Owner shall do any act which interferes with the use and enjoyment of the Common Area by all other Owners; and provided further, said easement shall be subject to the following rights, title and interest:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreation facility situated upon the Common Area and to impose reasonable limits upon the number of guests of an Owner who may use these facilities.

(b) The right of the Association to suspend the right to the use of the Common Area by an Owner for any period during which any Assessment, as defined herein, against his Residential Lot remains unpaid, and for a period not to exceed 60 days for any other infraction of the Association Documents or the Owners' Association Rules, provided that such suspension shall not interfere with such Owner's access to the Residential Lot.

(c) The right of Declarant and the Association to grant easements in and to the Common Area for all utility services, including cable television and other public uses which benefit the subdivision as a whole.

(d) The right of the Association to borrow money for the purpose of improving the Common Area or acquiring additional common area property; provided, however, the Common Area cannot be mortgaged without the majority vote, in person or by proxy, of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened to approve the borrowing.

(e) The right of the Association to dedicate, transfer and convey all or any part of its right, title and interest in the Common Area to any public agency, authority, or utility or, subject to such conditions as may be agreed to by the Owners, to any other Person for such purposes; provided, however, the Common Area cannot be conveyed without the majority vote, in person or by proxy, of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened to approve the conveyance.

Section 3. Responsibilities of the Association and Release of Liability.

(a) Upon conveyance of a Common Area, the Association shall be responsible for such Common Area, including but not limited to, its operation, management, care, restoration, insurance, renovation, alteration, reconstruction, repair, maintenance, rebuilding, replacement and improvement, and for the payment of taxes and utilities for the Common Area. The Association also has the power to operate and maintain public infrastructure improvements owned by a Public Improvement District formed for the purposes of providing certain infrastructure of benefit to the Owners.

(b) Any park facilities, private streets, street lights, sidewalks, drainage systems, fences, and other improvements that have been constructed, installed or created by the Declarant as part of the subdivision improvements in the Work, shall be maintained by the Association in the same condition and appearance as constructed or created. The Association shall establish reserves for the replacement of the subdivision improvements.

(c) By acceptance of a deed to a Residential Lot within the Property, each Owner agrees that the Association and the Declarant have no obligations whatsoever for providing protection to persons on the Property. Each Owner further agrees that the Declarant and the Association shall have no obligation whatsoever for providing protection to Owner or the Property from conditions existing within public or private streets or Common Areas.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws and the Owners' Association Rules, his right of enjoyment of the Common Area and facilities to members of his family, tenants, social and business invitees or contract purchasers who reside on the Owner's Residential Lot.

Section 5. Destruction of Common Area. In the event of a total or partial destruction of all or any part of the Common Area, and if available proceeds of insurance carried pursuant to this Declaration are sufficient to cover 85% of the repair or reconstruction, the Common Area shall be promptly repaired and rebuilt unless, within 150 days from the date of such destruction, at least 75% or more of the Members attending, in person or by proxy, a regular or special meeting of the Members duly called and convened to approve such reconstruction determine that such reconstruction shall not take place. If the insurance proceeds are less than 85% of the cost of reconstruction,

reconstruction may nevertheless take place if, within 150 days from the date of destruction, a majority of the Members attending, by person or proxy, a regular or special meeting of the Members duly called and convened to approve such reconstruction approve the reconstruction. Notwithstanding the preceding, drainage facilities and other parts of the Common Area required for public safety shall be rebuilt unless waived in writing by the Village of Los Lunas or the governmental authority having jurisdiction over such improvements.

Section 6. Common Areas Easements.

(a) Declarant has dedicated and conveyed or will dedicate and convey to the Association that portion of the Property described on the Plat for use and maintenance of utility, drainage, wall and landscape easements, together with a right of ingress and egress over and across the easement areas for such purposes. Easements for installation and maintenance of utilities, drainage facilities, walls and landscaping are reserved as shown on the Plat. Within these easements and except as otherwise allowed by the beneficiaries of such easements, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, drainage structures or walls, or which may impede the flow of water through drainage structures in the easements. Easement areas within a Residential Lot and all improvements in it shall be maintained continuously by the Owner of the Residential Lot.

(b) Fire, police, health, sanitation (including trash collection) and other public service personnel and vehicles shall have and are hereby granted a permanent, non-exclusive and perpetual easement for ingress and egress over and across the Common Areas.

(c) Declarant hereby grants to each Owner, their guests, invitees, residents, and visitors, and utilities providers, guests and invitees of the Association, and reserves to itself, its employees, agents, contractors, and invitees, a permanent, non-exclusive and perpetual easement for ingress and egress over and across the Common Areas constructed as trails and parks, that have not been dedicated to the Village of Los Lunas, for the purpose of ingress and egress to any area of the Property open to access in general to Members of the Association.

(d) Declarant hereby reserves an easement across the Common Area and all Residential Lots for the installation, maintenance and use of the high speed data communications lines, distribution facilities and equipment and cable television lines, distribution facilities and lines. This easement may be transferred in whole or in part to any franchised high speed data communication operator and any cable television operator.

Article III

Huning Ranch Owners' Association, Inc.

Section 1. Purpose. The Association shall be formed for the purposes, as set forth in its Articles of Incorporation, to carry out the purposes specified in this Master Declaration including but not limited to owning, holding, managing and otherwise dealing with Common Areas as provided for herein, and shall be authorized to engage in the business of a homeowner's association with the powers granted non-profit corporations under the New Mexico Nonprofit Corporation Act, Article 8, Section 53, New Mexico Statutes Annotated, as amended.

Section 2. Membership.

(a) Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall automatically be a Member of the Association. Association membership shall be an interest appurtenant to title of each Residential Lot and may not be separated from ownership of any Residential Lot which is subject to assessment, as set forth herein, and shall be transferable only as part of the fee simple title to each Residential Lot.

(b) The rights, duties, privileges and obligations of an Owner as a Member of the Association shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of this Master Declaration and the Association Documents; provided, that, if a conflict arises between the Master Declaration and the Association Documents, the Master Declaration shall take priority.

Section 3. Voting. The Association shall have two classes of voting membership:

Class A. So long as there is Class B membership, Class A Members shall be all Owners, except the Declarant, and shall be entitled to one vote for each Residential Lot owned by such Members. Upon termination of Class B membership, Class A Members shall all be Owners including Declarant so long as Declarant is an Owner, and each Owner shall be entitled to one vote for each Residential Lot owned. If more than one (1) person owns an interest in any Residential Lot, all such persons are Members; and the vote for such Residential Lot may be exercised as the Owners determine among themselves; but no split vote is permitted.

Class B. The Class B Member shall be the Declarant and as long as there is a Class B voting membership the Declarant shall be entitled to three (3) votes for each Residential Lot owned by the Declarant including Residential Lots that become subject to this Master Declaration by Supplemental Declaration. In addition, as long as the Declarant is under contract to purchase lands within the Project which lands are designated for development as single family residential land, including any new land annexed into the Project by amendment of the

Master Plan, the Declarant shall have three (3) votes for each du per acre average permitted by the Master Plan within the very low, low, medium and medium high residential development districts shown in the Master Plan but not yet owned by Declarant and not yet made subject to this Master Declaration by Supplemental Declaration;¹ provided, when land within the Project receives final plat approval from the Village of Los Lunas as single family residential subdivision and such plat is Recorded, Declarant's votes therein shall be determined by the number of Single Family Residential Lots platted therein and not by the du per acre shown in the Master Plan as permitted for such land. The term "du" as used herein means the number of dwelling units per acre shown on the Master Plan for the respective residential development districts.

Class B membership shall cease and be converted to Class A membership and any Class B Residential Lots then annexed and subject to the terms of this Master Declaration shall become Class A Residential Lots upon the happening of any of the following events, whichever occurs earlier:

- (i) Until such time as the Class B Member no longer owns Residential Lots and is no longer under contract for the purchase of lands within the Project including any new land to be annexed into the Project by amendment of the Master Plan;
- (ii) On January 1, 2020, or
- (iii) When the Declarant waives in writing its right to Class B membership and agrees to the conversion of such into Class A membership.

Section 4. Services. The Association may obtain and pay for the services of any Person to manage its affairs to the extent the Board deems advisable, as well as such other personnel as the Board determines are necessary or desirable, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. Without limitation, the Board may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Master Declaration, the Association Documents or the Owners' Association Rules.

Section 5. Capital Improvements. Except for: (i) the replacement or repair of items installed by Declarant as part of the Work, if any; (ii) the repair and replacement of any personal property; or (iii) as set forth in Article II, Section 5, the Association may not expend funds for capital improvements without the prior approval of at least two-thirds

¹ For example, in the medium density residential districts, Declarant would be entitled to 15 votes per acre (based on 5 dus per acre for said districts multiplied by 3 votes per du) multiplied by the acreage contained within all of the medium density residential districts within the Project not yet owned by Declarant and not yet made subject to this Master Declaration.

(2/3) of the total votes cast, in person or by proxy, at a regular or special meeting of the Members duly called and convened to approve such expenditure.

Section 6. Personal Property. The Association may acquire, hold and dispose of tangible and intangible personal property, subject to such restrictions as from time to time may be contained in the Master Declaration and the Association Documents.

Section 7. Public Infrastructure. The Association may accept, by written agreement with a Public Improvement District on terms acceptable to the Association, maintenance of public infrastructure constructed by the Public Improvement District located within the Property.

Section 8. Owners' Association Rules. The Association from time to time may adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Residential Lots, and other areas, or any combination thereof, which rules and regulations shall be consistent with the rights and duties established by this Master Declaration. These regulations shall be binding upon Owners and the Association may impose reasonable monetary fines and other sanctions for violations of the rules which may be collected by lien and foreclosure as provided herein and in accordance with New Mexico Statutes Annotated and the rules and practices for foreclosures in the District Courts of New Mexico. All Owners' Association Rules initially may be promulgated by the Board but are subject to amendment or rescission by vote of a majority of the votes cast, in person or by proxy, at any regular or special meeting of the Members duly called and convened to consider amendment or rescission of the Owners' Association Rules. The Association's procedures for enforcing Owners' Association Rules shall provide the affected Owner with reasonable prior notice and a reasonable opportunity to be heard, in person and through representatives of such Owner's choosing.

Section 9. Powers and Authority. The Association shall have the power and authority 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 the Articles of Incorporation of the Association and this Master Declaration 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 for the safety and/or general welfare of the Owners. Without in any way limiting the generality of the foregoing, the Declarant hereby grants an easement for, and the Association shall have the power and authority but not the obligation at any time and from time to time, and without liability to any Owner, to enter upon any Residential Lot for the purpose of enforcing any and all of the provisions called for herein, or for the purpose of maintaining and repairing any such Residential Lot if for any reason whatsoever the Owner thereof fails to maintain and repair such Residential Lot as required. The Association shall also have the power and authority from time to time, in its own name, or 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 this Master Declaration, the Association Documents and the Owners' Association Rules and to enforce, by mandatory injunction or otherwise, the

provisions of this Master Declaration, the Association Documents, and the Owners' Association Rules.

Section 10. Indemnification of Officers and Directors. To the extent permitted by New Mexico law including but not limited to Section §53-8-15 New Mexico Statutes Annotated, as amended, the Association shall, and all Owners, as Members of the Association, hereby agree that the Association shall indemnify each officer, director, employee, and management contractor from any and all expenses, including legal expenses, incurred or arising out of such person's acts undertaken on behalf of the Association. This provision is self executing, and the Association may also take any action desired to carry out its purposes.

Section 11. Alternatives if Quorum Not Present. If the quorum of Members required by the By Laws of the Association is not present at any meeting of the Members of the Association duly called:

(a) (i) the President; or (ii) the Board; or (iii) a majority of the Members attending such meeting, in person or by proxy, may approve voting to take place by paper ballot and then adjourn the meeting. The Secretary shall prepare and distribute the ballots to the Members eligible to cast votes on the matter(s) within 15 days following the adjournment of the meeting. The Members entitled to vote on the matter(s) to be heard at the meeting shall have 30 days from the date the ballots are distributed to return ballots to the Secretary. The Board shall count the ballots and the Secretary of the Association shall notify the Membership no later than 15 days after the close of the vote of the results of the votes cast by ballot. The total number of votes cast by ballot shall be used to determine if a quorum was achieved for voting purposes.

(b) In the alternative, if two (2) meetings are called to consider the same matter(s) and a quorum is not achieved by the second (2nd) meeting, a special meeting of the Members eligible to cast votes on the matter(s) may then be called to reconsider the matter(s) and the presence in person or by proxy of those Members entitled to cast one-twentieth (1/20th) of the total votes entitled to be cast on the issue(s) at a meeting of the Members of the Association shall constitute a quorum for such meeting.

Further provided, the attendance at a meeting of the Members of the Association attended in person or by proxy by the Declarant shall constitute a quorum as long as the Declarant is a Class B Member of the Association.

Article IV

Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Residential Lot owned within the Property, hereby covenants, and

each Owner of any Residential Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges, hereinafter referred to as "Annual Assessments", (ii) special assessments for capital improvements, hereinafter referred to as "Special Assessments", and (iii) specific assessments for accrued liquidated indebtedness of individual Owner(s) to the Association, hereinafter referred to as "Specific Assessments," with such assessments to be established and collected as hereinafter provided. The Annual, Special and Specific Assessments, hereinafter collectively referred to as "Assessments", together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Residential Lot against which an Assessment is made. The Assessments, together with interest, costs, reasonable attorney's fees and paralegal fees together with any sales or use tax thereon, shall also be the personal obligation of the Person who was the Owner of such Residential Lot at the time when the Assessments fell due. However, the personal obligation of an Owner for delinquent Assessments shall not pass to said Owner's successors in title unless expressly assumed in writing by such successors, but shall continue to be a charge on and lien against the Residential Lot which, if not paid, shall entitle the Association to exercise its remedy of foreclosure, as further provided herein, against the Residential Lot subject to the continuing lien for the delinquent Assessments and, at the option of the Association, to exercise its collection remedies, either in the foreclosure action or by separate action, against the Person who was the Owner of such Residential Lot at the time when the Assessments fell due.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of carrying out the rights and obligations of the Association as defined in this Master Declaration, including but not limited to the acquisition, management, insurance, and maintenance of the Common Areas and any other Properties which the Association is responsible for maintaining; the maintenance of a reserve fund for the replacement of improvements thereon or anticipated to be required in the future; the enforcement of the Master Declaration, a Supplemental Declaration, and Association Documents; the enforcement of Design Standards of the Architectural Control Committee; the enforcement of Owners' Association Rules established from time to time by the Association; the payment of operating costs and expenses of the Association; maintenance of any Common Areas; and the payment of all principal and interest when due and all debts owed by the Association.

Section 3. Annual Assessments. The Annual Assessment shall be used exclusively to promote the community within the Property, including (i) those other responsibilities as outlined herein, and (ii) all other general activities and expenses of the Association, including but not limited to the enforcement of this Master Declaration, a Supplemental Declaration, the Association Documents, and the Owners' Association Rules established from time to time by the Association.

Section 4. Maximum Annual Assessment. At least 30 days before the expiration of each calendar year, the Board will prepare and distribute to each Owner a proposed budget for the Association's operations during the next ensuing year. If such budget

requires an Annual Assessment for the next ensuing year having an aggregate increase to the Annual Assessment not more than fifteen percent (15%), the Annual Assessment for the next ensuing year so proposed will take effect at the commencement of the next ensuing year without further notice to any Owner. If such budget proposes an Annual Assessment for the next ensuing year with an aggregate increase to the Annual Assessment then in effect of more fifteen percent (15%), the Board must call a membership meeting as stated herein. In computing the applicable percentage of the new annual assessment for the above determination, any increase due to an increase in utility charges (hereinafter, the "Utility Charges" which term includes charges for wet and dry utilities including but not limited to water, sewer, rubbish, gas, electricity, phone services, cable services, high speed data communication services, and satellite services) shall not be included, but shall be automatically passed on as part of the assessment. A majority of the total votes cast by Members, in person or by proxy, at any regular or special meeting of the Members duly called and convened to consider the Annual Assessment for the next ensuing year is sufficient for such approval, and the Assessment approved will take effect at the commencement of the next ensuing calendar year without notice to any Owner. If the proposed assessment is disapproved, the Members casting, in person or by proxy, a majority of the total votes cast at any regular or special meeting of the Members duly called and convened to approve the Annual Assessment will determine the Annual Assessment for the next calendar year, which may be any amount not exceeding that stated in the meeting notice. Each Annual Assessment may be payable in such number of installments, with or without interest, as the Board determines. In the absence of any valid action by the Board or the membership to the contrary prior to the commencement of any calendar year, the Annual Assessment then in effect will automatically continue for the ensuing calendar year increased only by any increase in the Utility Charges.

Section 5. Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy, in any Assessment year, Special Assessments for common expenses of the Association applicable to that year only. Except as specifically provided otherwise in this Declaration (e.g., Article II, Section 5), any Special Assessment shall have the assent of the Members if the Members, in person or by proxy at any regular or special meeting of the Members duly called and convened to approve such Special Assessments, cast a majority vote to approve such Special Assessments.

Section 6. Specific Assessments. Any and all accrued liquidated indebtedness of any Owner to the Association arising under any provision of this Master Declaration, or by contract, express or implied, or because of any act or omission of any Owner or person for whose conduct such Owner is legally responsible, also may be assessed as a lien by the Association against such Owner's Residential Lot, as a Specific Assessment, after such Owner fails to pay such indebtedness within 30 days after written demand.

Section 7. Notice for Any Action Authorized Under Article IV. Written notice of any meeting called for the purpose of taking action authorized to increase the Annual Assessment or to approve a Special Assessment shall be sent to all Members authorized to vote not less than 10 days nor more than 50 days in advance of the meeting.

Section 8. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Residential Lots and may be collected on a monthly basis. The share of each Residential Lot in payment of the Annual and Special Assessments shall be a fraction the numerator of which is one and the denominator is the total number of Residential Lots subject to assessment under this Master Declaration at such time.

Section 9. Other Charges and Costs Assessable. The Association may levy and assess charges, costs and fees for matters such as, but not limited to, the following, in such reasonable amounts(s) as the Board may determine in its discretion at any time and from time to time, including reimbursement of charges that are made to the Association by its managing agent or any other Person: copying of Association or other documents; return check fees; facsimiles; long distance telephone calls; notices and demand letters; transfer charges including but not limited to charges related to transfer of Residential Lot ownership or to the leasing of a Residential Lot and the Dwelling located thereon; and other charges incurred by the Association for or on behalf of any Owner(s). All such charges, costs and fees shall be in addition to the Assessments levied by the Association, but shall be subject to all of the Association's rights with respect to the collection and enforcement of Assessments.

Section 10. Adjustment of Monetary Fees, Penalties, and Costs. All monetary amounts stated in this Declaration or any Supplemental Declaration, or established from time to time by the Association as a charge, fee, cost or monetary fine, are subject to increase as determined by the Association at an annual or special meeting to reflect inflationary effects on such charges, fees, costs or monetary fines and/or the rising costs to the Association with respect to charges, fees, costs or monetary fines imposed by the Association.

Section 11. Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all sums collected in such year by way of Annual Assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes. Such surplus need not be used to augment or replace operating reserves established by the Association.

Section 12. Date of Commencement. The Annual Assessments provided for herein shall commence for a Residential Lot made subject to this Master Declaration by Supplemental Declaration upon the earlier of (a) the first of the month following issuance of a certificate of occupancy or equivalent for the Dwelling or other Structure on the Residential Lot, or (b) the first (1st) day of the thirteenth (13th) calendar month following the date a Residential Lot is sold by Declarant to the Owner of the Residential Lot including but not limited to a Builder.

Section 13. Certificate as to Status of Payment. Upon written request of an Owner, the Association shall, within a reasonable period of time but in any case within 30 days of the Association's receipt of such written request, issue a certificate to that Owner giving the status of all Assessments, including penalties, interest and costs, if any, which have accrued to the date of the certificate. The Association may make a reasonable charge for the issuance of such certificate. Any such certificate, when duly issued as herein provided shall be conclusive and binding with regard to any matter therein stated. Notwithstanding any other provision of this Section, a bona fide purchaser of a Residential Lot from an Owner to whom such a certificate has been issued shall not be personally liable for any Assessments that became due before the date of the certificate that are not reflected thereon, and the Residential Lot acquired by such a purchaser shall be free of the lien created by this Article if the bona fide purchaser for value made a written request for a certificate of the status of all Assessments due with respect to the Residential Lot and such Assessments are not reflected in the Public Records or in the certificate issued by the Association to such bona fide purchaser.

Section 14. Assessment Lien. All sums assessed to any Residential Lot, together with interest and all costs and expenses of collection (including reasonable attorneys' fees and paralegal fees, plus any applicable sales or use tax thereon, including those for trial and all appellate proceedings), are secured by a continuing lien on such Residential Lot in favor of the Association. The right of redemption with respect to the foreclosure of such lien shall be **one (1) month in lieu of nine (9) months**. Such lien is subject and inferior to the lien for all sums secured by any first mortgage encumbering such Residential Lot excepting assessments that are past due and unpaid for which a Claim of Lien against such Residential Lot is filed in the Public Records by the Association prior to the recording in the Public Records of such first mortgage; but all other Persons acquiring liens on any Residential Lot, after this Master Declaration is recorded, are deemed to consent that such liens are inferior to the lien established by this Master Declaration whether or not such consent is set forth in the instrument creating such lien. The recording of this Master Declaration constitutes constructive notice to all subsequent purchasers and creditors, or either, of the existence of the Association's lien and its priority. The Association from time to time may, but is not required to, record a notice of lien for the delinquent Assessments against any Residential Lot in the Public Records.

Section 15. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within 10 days after the due date shall bear interest from the due date at the rate equal to the higher of (a) eighteen percent (18%) per annum, or (b) Judgment Rate of Interest established pursuant to Section 56-8-4 of the New Mexico Statutes Annotated, as amended from time to time. The Board may from time to time establish a lower rate of interest for any Assessment; provided, such shall not be deemed to waive the right to collect interest as provided above if the lower rate of interest is challenged by an Owner and, further, the Association's power to establish a rate of interest shall not violate the law of the State of New Mexico. The Board may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Residential Lot subject to the lien for unpaid Assessments. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing,

waiving, or otherwise impairing the Associations' lien or its priority. No Owner may waive or otherwise escape liability for the Assessments provided for herein by abandonment of his Residential Lot.

Section 16. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage excepting Assessments that are past due and unpaid for which a Claim of Lien against a Residential Lot is filed in the Public Records by the Association prior to the recording in the Public Records of the first mortgage against such Residential Lot. Sale or transfer of any Residential Lot shall not affect an Assessment lien, except the sale or transfer of any Residential Lot pursuant to the foreclosure of a first mortgage or any proceeding or conveyance in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer, without prejudice however, to the Association's right to collect such amounts from the Owner personally liable for their payment. Any encumbrancer holding a lien on a Residential Lot may pay, but is not required to pay, any amount secured by the lien created by this Article; and such encumbrancer then will be subrogated to all rights of the Association with respect to such lien, including priority, to the extent of such payment.

Section 17. Homesteads. By acceptance of a conveyance of title to any Residential Lot, each Owner is deemed to acknowledge conclusively that (i) the assessments established by this Article are for the improvement and maintenance of any homestead thereon; (ii) the Association's lien for such assessments has priority over any such homestead; and (iii) such Owners irrevocably waive the benefit of any homestead exemption otherwise available with respect to all amounts validly secured by such lien.

Section 18. Declarant's Limitation of Liability for Assessments. Notwithstanding anything herein to the contrary, the Residential Lots owned by Declarant shall not be subject to Assessments established by this Article. Until such time as there is an adequate number of Residential Lot Owners to pay the Annual Assessments to carry out the Association's obligations, the Declarant may, at its option, contribute cash and/or in kind services to the Association to assist the Association in meeting its obligations.

Article V

Architectural Control Committee

Section 1. Creation and Composition. The "Architectural Control Committee" shall mean, as follows: Until all the Residential Lots in the Property have been fully developed, permanent improvements constructed thereon, and sold to residents, the Architectural Control Committee shall mean the Declarant and its successors or assigns. At such time as all of the Residential Lots in the Property have been fully developed, permanent improvements constructed thereon, and sold to permanent residents, the Declarant shall notify the Board and all the Owners of Residential Lots within the Property to that effect, and, thereupon, the Declarant's rights and obligations as the Architectural Control Committee shall forthwith terminate. Thereafter, the Association

shall have the right, power, authority, and obligation to establish a successor Architectural Control Committee as a committee of the Association in accordance with the Association Documents and to prescribe Owners' Association Rules pursuant to which such Committee shall act. Notwithstanding the foregoing, if additional property is annexed and subjected to this Master Declaration in accordance with Article VIII, Section 5, then, as to the Residential Lots in each subsequent phase, Declarant shall be the Architectural Control Committee until such time as all such Residential Lots have been fully developed, permanent improvements constructed thereon, and sold to residents, after which the Architectural Control Committee established by the Association shall take over. Further, the Declarant or the Association, as applicable, shall have the right, power and authority to establish separate Architectural Control Committees composed of Members residing within Unit(s) having a different set of Design Standards applicable to the Unit(s) within the Property so that such Design Standards (as said term is further defined in Section 2 below) are administered by Members sensitive to the differences established in the Design Standards for the Unit(s) in which they reside.

Section 2. Design Standards. The Architectural Control Committee shall from time to time, subject to this Master Declaration and the Association Documents, adopt, promulgate, amend, revoke, and enforce guidelines, hereinafter referred to as the "Design Standards" for the purpose of:

(a) governing the form and content of plans and specifications to be submitted to the Architectural Control Committee for approval pursuant to this Master Declaration;

(b) governing the procedure for such submission of plans and specifications; and

(c) establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of any Structure, and all other matters that require approval by the Architectural Control Committee pursuant to this Master Declaration.

The Architectural Control Committee may adopt a different set of Design Standards for each Unit or subdivision plat within the Property, to reflect the differences in intended design features in such units. Further, the Architectural Control Committee has the authority to, at any time and from time to time, enact, issue, promulgate, modify, amend, repeal, re-enact, and enforce, design or architectural guidelines and standards to interpret and implement the provisions of this Article. Without limiting the generality of the foregoing, such guidelines and/or standards may contain provisions to clarify the Criteria for Approval of certain Improvements, (e.g. the design, material, size, location, etc.), may state the procedural requirements for submissions to the Committee, and may provide for blanket approvals, interpretations or restrictions on Improvements. By way of example, and not by way of limitation, such provisions may state that a certain type of screen door will be acceptable and will not require approval, or may state that certain

types of fences are considered pre-approved (as long as such fences are in an approved location and comply with the applicable guidelines and/or standards) and that no other type of fences will be approved by the Architectural Control Committee. Any guidelines or rules and regulations of the Architectural Control Committee shall be consistent, and not in conflict, with this Article and any other applicable provisions of this Master Declaration.

In reviewing any particular application, the Committee shall consider whether its action will: (i) assure harmony of external design, materials and location in relation to surrounding buildings and topography within the Property; (ii) be consistent with the provisions of this Master Declaration; (iii) be in the best interest of all Owners in maintaining the desirability of the Property as a residential community; and (iv) assure design, materials and location that are in conformance with all applicable Law and standards including building and other ordinances of the Village of Los Lunas in effect from time to time.

Section 3. Review and Approval of Plans. No Structure shall be commenced, erected, or maintained on any Residential Lot, nor shall any exterior addition to or alteration thereof be made until two (2) full sets of the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to the Architectural Control Committee for written approval (i) as to conformity and harmony of external design and general quality with the existing standards of the neighborhood and with the standards of Huning Ranch, (ii) as to the size, height, and location of the Structure in relation to surrounding Structures and topography and finished ground elevation, and (iii) shall be consistent with the provisions of the Master Declaration. In the event the Architectural Control Committee fails to approve or disapprove such design and location within 45 days after said plans and specifications have been submitted in writing, the proposal shall be deemed to be disapproved by the Architectural Control Committee. The Committee may impose a fee for the costs involved with respect to its review of the plans and specifications.

Such plans and specifications shall be in form and shall contain such information as may be reasonably required by the Architectural Control Committee including, without being limited to:

- (a) a site plan showing the location of all proposed and existing Structures on the Residential Lot and including building setbacks, open space, driveways, walkways, and parking spaces including the number thereof;
- (b) a foundation plan;
- (c) a floor plan;
- (d) exterior elevations of any proposed Structure and alterations to existing Structures, as such Structures will appear after all backfilling and landscaping are completed;

(e) specifications of materials, color scheme, lighting schemes, and other details affecting the exterior appearance of any proposed Structure and alterations to existing Structures;

(f) plans for landscaping, drainage and grading, especially if any proposed Structure, or the alterations of exiting Structures, or the alteration of the drainage or grading of a Residential Lot, will affect another Residential Lot's landscaping or grading; and

(g) a construction schedule.

Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to this Master Declaration, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the Architectural Control Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Residential Lot or Structure of any plans and specifications shall not be deemed a waiver of the Architectural Control Committee's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with any other Residential Lot or Structure. Approval of any such plans and specifications relating to any Residential Lot or Structure, however, shall be final as to that Residential Lot or Structure and such approval may not be reviewed or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

It shall be the responsibility of each Owner at the time of construction of any structure on the Owner's Residential Lot, to comply with all applicable Laws. Notwithstanding anything to the contrary, the Architectural Control Committee may request changes in any plans or Structures that are completed or being built if required by Law and neither the Declarant, the Association, nor the Architectural Control Committee, nor any member, successor in interest or assign thereof, shall be liable for damages.

In regards to any plans and specifications approved by the Architectural Control Committee neither Declarant, nor any member of the Architectural Control Committee, shall be responsible or liable in any way for any defects in any plans or specifications, nor for any structural defects in any work done according to such plans and specifications nor for the failure of the plans and specifications to comply with any Law. Further, neither Declarant, the Association, the Architectural Control Committee, nor any member, successor in interest or assign thereof, shall be liable in damages to anyone by reason of mistake in judgment, negligence, misfeasance, malfeasance or nonfeasance arising out of or in conjunction with the approval or disapproval or failure to approve or disapprove any such plans or specifications or the exercise of any other power or right the Architectural Control Committee provided for in this Master Declaration. Every Person who submits plans or specifications to the Architectural Control Committee for approval

agrees, by submissions of such plans and specifications, and every Owner of any Residential Lot agrees, that he will not bring any action or suit against Declarant, or any member of the Architectural Control Committee, to recover for any such damage.

Any employee or agent of the Architectural Control Committee may, after reasonable notice, at any reasonable time, enter upon any Residential Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration, or maintenance of any Structure or the use of any Residential Lot or Structure is in compliance with the provisions of this Master Declaration; and neither the Architectural Control Committee, nor any such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

The initial construction of a Dwelling on a Residential Lot by a Builder shall be subject to these provisions, but approval of plans and landscaping shall only be required once for any model plan. Thereafter, no plans or landscaping approval shall be required for construction of the same model on another Residential Lot, except that the site plan required under subparagraph (a) above shall be submitted by the builder and reviewed by the Architectural Control Committee as to placement of all improvements on the Residential Lot as such improvements relate to any nearby improvements already completed or approved.

Section 4. Building Construction. Not more than one single-family Dwelling, not to exceed two (2) stories in height, shall be erected on any Residential Lot unless otherwise approved, in writing, by the Architectural Control Committee. At the request of any Owner, the Association from time to time will issue, subject to a reasonable charge of not less than \$250.00, a written certification that the improvements, landscaping, and other exterior items situated upon such Owner's Residential Lot have been approved by the Architectural Control Committee, if such is the case. Additional construction requirements and limitations for structures within certain Units of the Property may be added by supplement to this Master Declaration.

Section 5. Intentionally Omitted.

Section 6. Variances. The Architectural Control Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article or otherwise in this Master Declaration or in any Supplemental Declaration in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to the other property or improvements in the neighborhood, shall not be contrary to applicable Law, and shall not militate against the general intent and purpose hereof.

Section 7. Waivers; No Precedent. The approval or consent of the Architectural Control Committee, or any representative thereof, to any application for approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent

by the Architectural Control Committee or any representative thereof, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

Section 8. Records. The Architectural Control Committee shall maintain written records of all applications submitted to it and all actions taken by it thereon for such period of time as may be determined by the Board from time to time, and such records shall be available to Members for inspection at reasonable hours of the business day.

Section 9. Liability. Neither the Declarant, the Association, the Architectural Control Committee, nor any member, successor in interest or assign thereof, shall be liable in equity or damages to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within their jurisdiction hereunder. In reviewing any matter, the Architectural Control Committee shall not be responsible for the safety, whether structural or otherwise, of any item(s) submitted for review, nor the conformance with applicable building codes or other governmental laws or regulations, and any approval of an Improvement by the Architectural Control Committee shall not be deemed an approval of any such matters. No Owner or other Person shall be a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval or disapproval granted by the Architectural Control Committee.

Section 10. Violations. If any Structure shall be erected, placed, maintained, or altered upon any Residential Lot, otherwise than in accordance with the plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article, such erection, placement, maintenance, or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the Architectural Control Committee such violation shall have occurred, the Architectural Control Committee shall notify the Board. If the Board shall agree with the determination of the Architectural Control Committee with respect to the violation then the Board shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within 30 days after the mailing of the aforesaid notice of violation, then the Association shall have and be entitled to any other rights set forth in this Master Declaration, all rights and remedies at law or in equity.

Section 11. Partial Delegation to Association. At any time prior to the termination of Declarant's responsibilities as provided in Section 1 above and subject to the prior written consent of HLP, which consent shall not be unreasonably withheld, Declarant may delegate to a committee of the Association the responsibilities of the Architectural Control Committee with regard to any activities on individual Residential Lots which have been fully developed, permanent improvements constructed thereon, and sold to permanent residents. The Declarant may then retain all other duties of the

Architectural Control Committee with regard to new construction and may delegate its responsibilities with respect to new construction to one or more Builders.

Article VI

General Covenants and Restrictions

The following covenants, conditions, restrictions, and easements, any of which may be modified as to a particular Unit by the terms of the Supplemental Declaration for such Unit, are herewith imposed on the Property:

Section 1. Residential Use of Property. All Residential Lots shall be used for single-family, residential purposes only, and no business or business activity shall be carried on or upon any Residential Lot at any time, except with the written approval of the Architectural Control Committee; provided, however, that nothing herein shall prevent Declarant or any Builder from using any Residential Lot owned by Declarant or such Builder for the purpose of carrying on business related to the development, improvement, and sale of Residential Lots with or without Dwellings constructed thereon; provided, further, private offices may be maintained in a Dwelling located on any Residential Lot so long as such use is incidental to the primary use of the Dwelling and the use of the Residential Lot is otherwise in compliance with the limitations contained in Section 2 below.

Section 2. Limitations on Professional or Home Occupation. Residential Lots shall be used for residential use only, including those uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes. Notwithstanding the foregoing, however, an Owner may conduct business activities within his or her Dwelling, after receiving written approval from the Association, provided that all of the following conditions are strictly satisfied:

- (a) The business conducted is clearly secondary to the residential use of the Dwelling and is conducted entirely within the Dwelling;
- (b) The existence or operation of the business is not detectable from outside of the Dwelling by sight, sound, smell or otherwise or by the existence of signs indicating that a business is being conducted;
- (c) The business does not result in an undue volume of traffic or parking within the Property, which determination shall be made by the Board in its sole discretion from time to time;
- (d) The business conforms to all zoning requirements and is lawful in nature; and
- (e) The business conforms to any rules and regulations that may be imposed by the Board from time to time on a uniform basis.

Section 3. Setbacks and Building Lines.

(a) Dwellings: Each Dwelling which shall be erected on any Residential Lot shall be situated on such Residential Lot in accordance with the building and setback lines shown on the Plat and/or required by Law. In no event shall any Dwelling be erected and located upon any such Residential Lot in a manner which violates or encroaches upon the building and setback lines shown on the Plat, specified in a Supplemental Declaration, or required by Law, unless the Law allows for such variance and the Association approves such a variance.

(b) Walls and Fences: All fences and walls shall be subject to the prior written approval of the Architectural Control Committee, and shall comply with all Laws and any applicable Supplemental Declaration. All fences and walls located anywhere on a Residential Lot must comply with site distance requirements established by Village of Los Lunas ordinances or other applicable Laws. No fence or wall shall be erected, placed, or altered on any Residential Lot nearer to the street than the minimum building setback line unless the same be a retaining wall of masonry construction which does not rise above the finished elevation of the earth embankment retained, reinforced, or stabilized, except that this restriction shall not apply to fences or walls which have been approved by the Architectural Control Committee pursuant to this Declaration.

(c) Terraces, Eaves, and Detached Garages: For the purpose of determining compliance or noncompliance with the foregoing building line requirements, side yard set backs shall be measured from the outside edge of the eaves of Dwellings and Structures. Otherwise, terraces, stoops, eaves, wing-walls, and steps extending beyond the outside wall of a Structure shall not be considered as a part of the Structure. No side yard shall be required for any detached garage or accessory outbuilding which has been approved, in writing, by the Architectural Control Committee; provided, all such detached Structures must not encroach upon any side or rear setback line or upon the Residential Lot of an adjacent Owner or upon any easement as set forth herein.

(d) These standards may differ for any Unit of the Property as stated in the Supplemental Declaration making such Unit subject to this Master Declaration.

(e) No commercial vehicles may be parked or stored on a Residential Lot except within an enclosed garage. Notwithstanding the above, governmental vehicles used for public health, safety and welfare and specific public utility company owned vehicles approved by the Association may be parked on a Residential Lot on paved driveway parking areas, in an enclosed garage, or in the street in front of the Dwelling in which the operator of the vehicle resides.

Section 4. Building Requirements. The living areas of the main dwelling, exclusive of open porches, garages, carports, patios, gazebos, and breezeways, shall be as determined in the Supplemental Declaration adding the Unit to the Master Declaration.

The minimum footage requirements shall be as provided in a Supplemental Declaration; provided, such shall be not less than stated in Article I, Section 8 hereof unless a Supplemental Declaration approving minimum footage requirements less than stated in Article I, Section 8 hereof is approved in writing by HLP and said approval appended or made a part of said Supplemental Declaration.

Section 5. Obstructions to View at Intersections. The lower branches of trees or other vegetation and walls and fences shall not be permitted to obstruct the view at street intersections.

Section 6. Use of Outbuildings and Similar Structures. No Structure of a temporary nature unless approved in writing by the Architectural Control Committee shall be erected or allowed to remain on any Residential Lot, and no trailer, camper, shack, tent, garage, barn, or other Structure of a similar nature shall be used as a residence, either temporarily or permanently; provided, this Section shall not be construed to prevent the Declarant and those Builders engaged in construction from using sheds or other temporary Structures during construction.

Section 7. Building Materials; Construction Fencing. No building materials or equipment used for building purposes shall be stored on any Residential Lot, except for the purpose of the construction on such Residential Lot and shall not be stored on such Residential Lot for longer than the length of time reasonably necessary for the construction to completion of the improvement to which the same is to be used. Notwithstanding other provisions of this Master Declaration, temporary construction fencing shall be permitted to enclose a Residential Lot or other construction site at which construction activity is underway. Such fence shall be in place only for the duration of the construction activity and shall be removed when construction activity has been completed or has been discontinued for a period of three (3) months or more. Such fence shall be located as necessary to protect the public and to secure the construction site. The type and materials to be used in such fencing shall be approved by the Architectural Control Committee prior to installation of such fencing. The fence may be chain link, wood or another material approved by the Architectural Control Committee, but not of barbed wire, concertina wire, razor ribbon, or other barbed type fencing.

Section 8. Completion of Construction. The Association shall have the right to take appropriate Court action, whether at law or in equity, to compel the immediate completion of any Dwelling or other Structure not completed within one (1) year from the date of the start of construction.

Section 9. Livestock and Pets. No animals, livestock, poultry, or pets of any kind shall be raised, bred, or kept on any Residential Lot, except that not more than a total of four (4) animals consisting of dogs, cats, and/or other small household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes. Such household pets must not constitute a nuisance or cause unsanitary conditions.

For the purposes of this Section 9, pets shall be deemed to constitute a nuisance if they create excessive or disturbing noises, whether by barking, howling, yelping, crying, or other utterances, or if the pet has shown any violent or aggressive behavior or otherwise poses a danger to the health, safety, or welfare of any person. Animals which have attacked or bitten any person or another person's pet shall constitute a nuisance and shall not be kept on any Residential Lot. All pets must be kept on leashes or within secure fences when out of doors.

Pet owners are expected to pick up and properly dispose of any feces deposited by their pets on Common Areas or on the property of others. An additional assessment of \$100.00 may be imposed for each failure of a Member (or any of their family, guests, or invitees) to pick up and properly dispose of any feces left on the common area by any dog owned by them or under their control. This assessment is intended to defray the actual cost incurred by the Association in removing dog feces from the Common Area.

The foregoing expression of specific behaviors that shall constitute a nuisance shall in no way limit the determination that other behaviors also constitute a nuisance. Any pet in violation of this section shall be brought into compliance within twenty-four (24) hours of notice by the Board, including but not limited to, the removal of the pet from Huning Ranch if the pet has attacked or bitten a person or other person's pet.

Section 10. Offensive Activities. No noxious, offensive, or illegal activities shall be carried on upon any Residential Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the Owners of other Residential Lots within the Property. Without limiting the foregoing, there shall be no burning of refuse out of doors, except for the burning of natural materials in connection with land clearance or fire control. No incinerators or other device for the burning of refuse indoors shall be constructed, installed or used by any person except in conformity with law and only when and if approved by the Association. All exterior spot or directional lighting of any sort, the light source of which is visible from neighboring Residential Lots, must first be approved in writing by the Association prior to installation and in any event shall not be directed at a neighboring Residential Lot.

Section 11. Signs. No advertising signs or billboards shall be erected on any Residential Lot or displayed to the public on any Residential Lot except one (1) professional constructed sign of not more than four (4) square feet in area may be used to advertise the Residential Lot for sale or rent. This restriction shall not apply to signs used to identify and advertise the subdivision as a whole, nor ordinary and customary signs used by Home Builders whose signage including but not limited to model home and directional signage has been approved by the Architectural Control Committee.

Section 12. Perimeter Screening. The Association shall have the right and the obligation to maintain the appearance of the exterior surface of any and all walls, fencing and other screening, including signage located thereon, installed by Declarant facing onto Common Area or public right of ways. Each Owner shall be obligated to maintain the structural integrity of any such wall, fence, or other screening located on or adjacent to

his Residential Lot, as well as the appearance of the interior of such wall, fence, or other screening facing onto his Residential Lot. Any such wall, fencing or screening shall be considered part of the perimeter screening regardless of whether it is located in a public right-of-way or on a Residential Lot. The Association or a Public Improvement District, if applicable, shall be responsible for all costs of maintaining and repairing the exterior surface portions of walls, fencing, and screening, including any signage located thereon, and planter easements, if any, shown on the Plat. The Declarant hereby grants the Association and a Public Improvement District, if formed for purposes of installing or maintaining such Structures, an easement to enter upon the part of any Residential Lot adjacent to such walls, fencing, landscaping and screening for access to such walls, fencing, landscaping and screening in order to maintain planter easements and the exterior appearance of such walls, fences, and screening.

Section 13. Sidewalks. If the Village of Los Lunas does not accept the obligation to maintain or otherwise is not required to maintain sidewalk and right of way areas within Huning Ranch, each Owner, at his sole cost and expense, shall maintain the sidewalk and the right of way area (sometimes referred to as the planting strip) located between the side walk and the curb in front of the Owner's Residential Lot. To assure visual uniformity of sidewalks the Architectural Control Committee shall establish how and with what materials any installation, maintenance, or repair shall be performed. If any Owner fails to comply with the requirements of this Section after reasonable notice, the Association or its duly authorized agents, shall have the right, but not the obligation, at any time, from time to time, without any liability to the Owner for trespass or otherwise, to enter any Residential Lot for the purpose of maintaining the sidewalks and enforcing, without any limitation, all of the restrictions as set forth as part of this Master Declaration. All costs so incurred by the Association may be specifically assessed against such Residential Lot as provided in Article IV, herein.

The Declarant reserves an easement for access over and on the sidewalks with said easement also being for the purpose of enforcing, without limitation, the reservations and restrictions set forth herein which shall include the repair and maintenance of the sidewalks. Each Owner shall have a cross easement appurtenant for use of the sidewalks, subject to the limitations and restrictions stated herein.

Section 14. Common and Party Walls and Fences. If a common or party wall or fence exists on the boundary line of a Residential Lot, the Owner of each half is responsible for maintaining his/her half of the wall or fence. All such walls and fences shall be maintained in a neat, safe and attractive condition, with all necessary repairs or replacement to such walls and fences to occur not later than 60 days following notice from the Association of the need for repair or replacement of such wall or fence. When a common or party wall or fence belongs to Owners jointly, it is assumed to be divided down the middle and each party is responsible for maintaining his/her half.

If a fence, tree or structure falls on the neighbor's Residential Lot and damages the neighbor's plants or property, the Owner of the Residential Lot from whence the fence, tree or structure fell is liable for compensation for the actual cost of repair or replacement

of such plants or property except for things which grow or rest upon the wall or fence by sufferance; provided, if a common or party wall or fence falls on the neighbor's Residential Lot due to an Act of God or deferred maintenance for which the Owners of the Residential Lots served by the common or party wall or fence serves are jointly responsible, the Owner of the each Residential Lot served by the common or party wall or fence shall be responsible for damage done to his own plants or property and shall not seek compensation from the other Owner served by the common or party wall or fence. The foregoing shall not excuse an Owner from having to compensate a neighbor for damages to plants or property where, due to negligent or otherwise improper use of a common or party wall or fence, such structure falls and results in damage to the neighbor's plants or property.

Section 15. Aesthetics, Screening, Underground Utility Service. All propane tanks, garbage cans and equipment, except for garbage cans placed on the streets on the day of garbage service, shall be screened to conceal them from view of neighboring Residential Lots and streets. All residential utility service, including but not limited to lines, pipes and wiring, to residences shall be underground. No fuel tanks shall be stored under ground. All fuel tanks including propane tanks to be kept on a Residential Lot must first be approved by the Architectural Control Committee.

Section 16. Swimming Pools. Swimming pools must be located to the rear of the main building on any Residential Lot unless a different location is authorized in writing by the Architectural Control Committee. Swimming pools must conform to the setback and building requirements as shown on the Plat and as required by applicable law.

Section 17. Maintenance. Each Owner shall keep and maintain each Residential Lot and Structure owned by him, including: all landscaping located thereon, in good condition and repair, including, but not limited to (i) the repairing and painting (or other appropriate external care) of all Structures; (ii) the seeding, watering, and mowing of all lawns; and (iii) the pruning and trimming of all trees, hedges, and shrubbery so that the same do not obstruct the view by motorists, pedestrians or street traffic. If in the opinion of the Architectural Control Committee any Owner shall fail to perform the duties imposed by this Section, the Architectural Control Committee shall notify the Board. If the Board shall agree with the determination of the Architectural Control Committee, then the Board shall give written notice by certified mail to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to remedy such condition. If the Owner shall fail to take reasonable steps to remedy the condition within 30 days after the mailing of the aforesaid notice of violation, the Architectural Control Committee and the Board shall have, in addition to all other rights set forth in this Master Declaration, at law or in equity, a Right of Abatement as provided in Article VIII, Section 1 hereon.

Section 18. Satellite Dishes/Antenna. Except as may otherwise be permitted by the Architectural Control Committee, subject to any provisions of any guidelines or standards adopted by the Architectural Control Committee, no exterior radio antennae, television antennae, or other antennae, satellite dish, or audio or visual reception device

of any type shall be placed, erected or maintained on any Residential Lot, except inside a Dwelling unit concealed from view; provided, however, that any such devices may be erected or installed by the Declarant during its sales or construction upon the Residential Lots; and provided further, however, that the requirements of this subsection shall not apply to those "antennae" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended from time to time. As to "antennae" (including certain satellite dishes) which are specifically covered by the Telecommunications Act of 1996 and/or applicable regulations, as amended, the Association shall be empowered to adopt rules and regulations governing the types of "antennae" (including certain satellite dishes) that are permissible hereunder and, to the extent permitted by the Telecommunications Act of 1996 and/or applicable regulations, as amended, establishing reasonable, non-discriminatory restrictions or requirements relating to appearance, safety, location and maintenance. Notwithstanding the above, a satellite dish antenna eighteen inches (18") in diameter or smaller may be installed (a) on the rear of the Dwelling of a Residential Lot or on side of the Dwelling of a Residential Lot not closer than ten feet (10') from the front of the enclosed garage located on a Residential Lot, and (b) at an elevation no higher than thirty inches (30") above the eaves of the roof. The satellite dish antennae should be in the least conspicuous location on the roof when viewed from the street in front of the Dwelling from where an acceptable quality signal can be received, or in the rear yard of the Residential Lot with landscape screening and with approval of the Architectural Control Committee.

Section 19. Clotheslines. No clothesline or other outside facility for drying of airing of clothes shall be installed in the yard of any Residential Lot, except in the rear yard behind the Dwelling and enclosed by a fence or by landscape screening approved by the Architectural Control Committee.

Section 20. Window Air Conditioners. No window air conditioning units shall be installed without prior written approval of the Architectural Control Committee.

Section 21. Trailers, Trucks, School Buses, Boats, Boat Trailers. No house trailers or mobile homes, school buses, trucks or commercial vehicles over one (1) ton capacity, boats or boat trailers shall be kept, stored or parked overnight either on any street or on any Residential Lot except within enclosed garages or in enclosed Accessory Structures approved by the Architectural Control Committee which completely screen such from view. Notwithstanding the foregoing, passenger automobiles may be parked in driveways if the number of vehicles owned by the Owner exceeds the capacity of the garage. The foregoing will not be interpreted, construed, or applied to prevent the temporary non-recurrent parking of any vehicle, boat, or trailer for a period not to exceed forty-eight (48) hours upon any Residential Lot in any consecutive 30 day period, or to passenger automobiles, passenger trucks and recreational vehicles owned by guests of an Owner which vehicle(s) may be parked in a drive way or on the street immediately in front of the Dwelling of the Owner during periods where the owner(s) thereof are staying as guests of the Owner for a period not to exceed 7 days in any consecutive 30 day period. There shall be no major or extended repair or overhaul performed on any vehicle on the Residential

Lots. All vehicles and trailers shall have current license plates. If any vehicle, boat, or trailer is in violation of this provision, the Association shall have the immediate right to have the offending vehicle, boat, or trailer towed away at the expense of the owner thereof.

Section 22. Garbage and Refuse Disposal. No Residential Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers designed for that purpose. All incinerators or other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. All garbage and trash cans and containers shall be kept in the garage or in the side or rear yard screened to conceal them from view of neighboring Residential Lots and streets, except on the days of collection. If such litter or other materials are found on any Residential Lot, the same will be removed by the Owner of such Residential Lot, at the Owner's expense, upon the written request of the Architectural Control Committee or the Board. Trash for pickup may be put out no more than 24 hours prior to pickup, and trash containers must be stored not more than 24 hours after pickup. All Builders are required to dispose of construction debris in dumpsters kept on the Residential Lot where the construction is ongoing; provided, dumpsters may be placed on the street in front or to the side of the Residential Lot where the construction is taking place where permitted by the Architectural Control Committee and where governmental permits for such (if any) have been obtained.

Section 23. Changing Elevations or Drainage. No Owner shall excavate or extract earth from a Residential Lot for any business or commercial purpose. No elevation or drainage changes shall be permitted which materially affect surface grade of or drainage to surrounding Residential Lots unless approved in writing by the Architectural Control Committee.

Section 24. Sewage System. Sewage disposal shall be through municipal system or type approved by appropriate State and local agencies.

Section 25. Water System. Water shall be supplied through municipal system or type approved by appropriate State and local agencies.

Section 26. Landscaping; Water Conservation. In the landscaping of a Residential Lot, it is urged that plant materials, irrigation systems, and maintenance practices be utilized which conserve water. It should be noted that in using xeriscape landscape practices a more traditional green appearance can still be achieved while using much less water than typical suburban residential landscapes. Some areas of Huning Ranch may be restricted from the use of underground irrigation systems (i.e., leaky pipe systems) due to the evaluation of soils by professional soils engineers. Natural landscape including drought-tolerant plants and grasses are to be incorporated in such a landscape design. Use of turf is discouraged because it requires a lot of water. Alternative grasses like Buffalo Grass and fescues are encouraged where grasses are planted.

Care shall be given in the design, maintenance and use of Residential Lot irrigation systems to minimize over spray onto walkways, driveways and streets. Because water conservation is a desired community goal for Huning Ranch, a landscape irrigation system design should utilize the most current state-of-the-art water conservation technologies. Digital controllers, drip irrigation, low water consumption irrigation heads and micro-jet spray heads are just a few examples of the technology currently available. Watering shall be done in the early morning or evening.

Section 27. Utility Facilities. Declarant reserves the right to approve the necessary construction, installation, and maintenance of utility facilities, including but not limited to water, telephone, and sewage systems, which may be in variance with these restrictions.

Section 28. Driveways and Entrance to Garage. All driveways and entrances to garages shall be concrete or a substance approved in writing by the Architectural Control Committee and of a uniform quality. No vehicular access to any Residential Lot having double frontage along a designated collector road and another roadway segment shall be permitted from the public right-of-way of the designated collector road. No vehicle may be parked on a Residential Lot other than on paved driveway parking areas; provided, that such shall not apply to construction vehicles parked on a Residential Lot while a Dwelling thereon is under construction.

Section 29. Garages. Each Dwelling must have a garage of sufficient size to house at least two (2) passenger automobiles. All garages must be substantial and conform architecturally to the Dwelling to which they relate. When garages are not in use, garage doors shall be closed. Garages shall be used only for parking motor vehicles, hobbies, and storing Owner's household goods.

Section 30. Exterior Holiday Lighting and Decorations. Lights or decorations may be erected on the exterior of Dwellings on Residential Lots in commemoration or celebration of publicly observed holidays; provided, that such lights or decorations do not unreasonably disturb the peaceful enjoyment of adjacent Owners by illuminating bedrooms, creating noise or attracting sightseers. All exterior lights and decorations installed within a Residential Lot including but not limited to those installed on a Dwelling on a Residential Lot must be removed within 30 days after the holiday has ended. Christmas decorations or lights may not be displayed prior to November 1st of any year. For other holidays, decorations or lights may not be displayed more than 30 days in advance of the holiday.

Section 31. Flagpoles and Yard Ornaments. Yard ornaments, including but not limited to, birdbaths, birdhouses, fountains, sculptures, statues, flags and banners, etc., shall not be placed in the front yard of a Residential Lot without prior approval from the Architectural Control Committee. Not more than one (1) flag or banner shall be attached to the Dwelling on a Residential Lot, and the length of the standard supporting such flag or banner shall not exceed four feet (4'). No more than one (1) free standing flagpole shall be allowed on a Residential Lot and shall be subject to the following limitations: (a) the use shall be limited to flying one (1) flag of the United States of America, (b) the flag

pole shall be constructed of fiberglass, aluminum or galvanized metal, (c) the pole shall be white except for natural aluminum, (d) the flag size shall not exceed four feet (4') by six feet (6'), (e) the flag material shall be nylon or more durable material such as 2 ply polyester, (f) the flag pole shall be set in concrete twelve inches (12") in diameter and three feet (3') deep, (g) the flag and flag pole shall be maintained at all times in good condition and repair, (h) the flag and flag pole shall not be illuminated, (i) the flag pole shall in no event exceed fifteen (15') in height measured from the ground from where it is installed, (j) the flag pole shall not be placed in a public easement and shall be located no closer than the greater of (1) the height of the flag pole measured from the ground from where it is installed, or (2) fifteen feet (15'), from the front of the Residential Lot's property line, and (k) the flag shall be raised at sunrise and lowered at sunset and flown at half mast on "half mast" days such as Memorial Day. If a flag pole is installed on a Residential Lot and the Owner of the Residential Lot fails to fly the flag of the United States of America in accordance with the foregoing terms for a period of (a) 30 or more consecutive days or (b) 60 days in any calendar year, the Owner shall cause the flag pole to be removed and the landscaping where the flag pole was located restored.

Section 32. Dwelling and Residential Lot Maintenance. Each Owner shall keep such Owner's Dwelling and Residential Lot in a good state of preservation, repair and cleanliness, free of weeds, litter and debris.

Section 33. Exterior Lighting. Exterior lighting for security and/or other uses must be directed towards the ground and the Dwelling on the Residential Lot so that the light cone stays within the Residential Lot boundaries and the light source does not cast glare onto adjacent properties.

Section 34. Dwelling Leasing. A Dwelling on a Residential Lot may not be leased to other than (a) one or more tenants who is/are individuals, (b) pursuant to a lease of the Dwelling having a term of at least six months, and (c) where there is more than one (1) tenant the tenants (excepting minors who are children of tenants) shall all be parties to the lease. A copy of the Dwelling lease duly executed by each permanent tenant of a Dwelling must be provided to the Board not later than 30 days following execution of such Lease. A Dwelling on a Residential Lot shall not be occupied by an unreasonable number of tenants including minors who are children of the tenants (no more than two (2) persons per bedroom for each bedroom contained within the Dwelling). Each tenant shall, no later than 10 days of the request of the Association, execute a written acknowledgment prepared by the Association acknowledging the (a) receipt of this Declaration and all supplements thereto and (b) the tenant's(s') agreement to abide by the terms of this Declaration and all supplements thereto.

Section 35. Mineral Operation. No oil drilling, oil development operations, oil refining, quarrying, or mining operation of any kind shall be permitted upon or in any Residential Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be erected, maintained, or permitted upon or in any Residential Lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any Residential Lot.

Section 36. Residential Lot Splitting and Consolidation. No Residential Lot splitting, by conveyance, survey, foreclosure or other means, shall be allowed. The consolidation of adjoining Residential Lots having common ownership is subject to approval of the Association which approval may be denied if the Association determines that the resulting Residential Lot will not conform to this Declaration or to an applicable Supplemental Declaration.

Section 37. Entry Level/Affordable Housing. No more than twenty-five percent (25.00%) of all Residential Lots (including Lots previously built out and Lots ready to be built out) in all developed Units of the Project shall be developed for or built on with "Entry-Level" or "Affordable" housing as defined in Article I, Section 8 of this Master Declaration. Further, no single Unit shall have more than thirty three percent (33.00%) of its Residential Lots developed for or built out as "Entry-Level" or "Affordable" housing, and any single Unit having more than twenty-five percent (25.00%) of its Residential Units developed or built out for "Entry-Level" or "Affordable" housing shall be (a) adjacent to the east boundary of the Project or (b) adjacent to the north boundary of the Project with the most easterly boundary of any such Unit to be located west of the line formed by a radius of 400 feet in length drawn from the point of the main entrance of the Project from State Road 6 (said radius is shown and described in **Exhibit B** hereto).

Article VII

Easements

Residential Lots subjected to this Master Declaration shall be subject to:

- (a) Those easements, if any, shown as set forth on the Plat thereof;
- (b) All easements provided for in this Master Declaration; and
- (c) All easements of record in the Public Records for Valencia County, New Mexico.

The appearance of any easement area on a Residential Lot and all improvements in or on it shall be maintained continuously by the Owner of the Residential Lot. Each Owner is responsible for damage to or destruction of the easement area and all improvements on it caused directly or proximately by the acts or omissions of such Owner and any guests, invitees, residents, or other persons occupying or present upon said Residential Lot.

To the extent that any land or improvement which constitutes part of the Property, now or hereafter supports or contributes to the support of any land or improvement constituting another part of the Property, the aforesaid land or improvement, or both land and improvement is hereby burdened with an easement for support for the benefit of the Property or Residential Lot as the case may be. The easement for support shall be an easement appurtenant and run with the land at law.

Article VIII

General Provisions

Section 1. Enforcement. Each Residential Lot Owner shall comply strictly with the covenants, conditions, restrictions, and easements set forth in this Master Declaration. In the event of a violation or breach, or threatened violation or breach, of any of the same, the Declarant, the Architectural Control Committee, the Association, or any Residential Lot Owner, jointly and severally, shall have the right to proceed at law or in equity for the recovery of damages, reasonable monetary fines and other sanctions for violations of this Master Declaration or any Supplemental Declaration hereto, for injunctive or other equitable relief, or all of the foregoing. If any Owner or the Association is the prevailing party in any litigation involving this Master Declaration, then that party also has a right to recover all costs and expenses incurred (including reasonable attorneys' fees and paralegal fees together with any applicable sales or use tax thereon). Failure by the Declarant, the Architectural Control Committee, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In addition to the above rights, the Association and the Architectural Control Committee shall have a Right of Abatement if the Owner fails to take reasonable steps to remedy any violation or breach within 30 days after written notice sent by certified mail. A Right of Abatement, as used in this Section means the right of the Association or Architectural Control Committee, through its agents and employees, to enter at all reasonable times upon any Residential Lot or Structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach, or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions; provided, such entry and such actions are carried out in accordance with the provisions of this Article. The cost thereof including the costs of collection and reasonable attorneys' fees, and paralegal fees (together with any applicable sales or use tax thereon) together with interest thereon at higher of the rate of eighteen percent (18%) per annum or the Judgment Rate of Interest established pursuant to Section 56-8-4 of the New Mexico Statutes Annotated, as amended from time to time, shall be a binding personal obligation of such Owner, enforceable at law, and shall be a lien on such Owner's Residential Lot enforceable as provided herein.

Section 2. Severability. If any term or provision of this Master Declaration or the Association Documents or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Master Declaration and the Association Documents, and the applications thereof, shall not be affected and shall remain in full force and effect and to such extent shall be severable.

Section 3. Duration. This Master Declaration, inclusive of all easements reserved by or on behalf of the Declarant or Association, shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owner of any land subject to this Master Declaration, their respective heirs, legal representatives, successors and assigns, for a term of 75 years unless an instrument signed by the then record Owners of all of the Residential Lots has been recorded, agreeing to change this Master Declaration in whole or in part. This Master Declaration shall automatically renew each 20 years thereafter unless a decision to not renew this Master Declaration has been approved by vote, in person or by proxy, of at least two-thirds (2/3) of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened and held prior to the date of automatic renewal. This Master Declaration may be terminated upon unanimous vote, or written consent in lieu thereof, of all Owners and holders of first mortgages on the Residential Lots.

Section 4. Amendment; Additional Phases. This Master Declaration may be amended by an instrument signed by the duly authorized officers of the Association provided such amendment has been approved by vote, in person or by proxy, of at least two-thirds (2/3) of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened and held to approve such amendment. Any amendment, to be effective, must be Recorded. Notwithstanding anything herein to the contrary, so long as the Declarant shall own any Residential Lot or have the right to subject additional phases to this Master Declaration, no amendment shall diminish, discontinue, or in any way adversely affect the rights of the Declarant under this Master Declaration.

Notwithstanding any provision of this Section to the contrary, the Declarant hereby reserves and shall have the right to amend this Master Declaration, from time to time, for a period of 5 years from the date of its recording to make such changes, modifications, and additions therein and thereto as may be requested or required by FHA, the VA, or any other governmental agency or body generally or as a condition to, or in connection with such agency's or body's agreement to make, purchase, accept, insure, guaranty, or otherwise approve loans secured by mortgages on Residential Lots, provided any such amendment does not destroy or substantially alter the general plan or scheme of development of Huning Ranch. Any such amendment shall be executed by the Declarant and shall be effective upon being Recorded. No approval or joinder of the Association, any other Owners, any mortgagee of a Residential Lot, or any other party shall be required or necessary for any such amendment.

Further, notwithstanding any provision of this Section to the contrary, the Declarant hereby reserves and shall have the right to amend Article VI of this Master Declaration, from time to time, for a period ending on January 1, 2020, to adjust terms in Article VI as such concerns and affects future phases for lands annexed to the control of this Master Declaration. Such amendments would include, but not be limited to, matters such as setbacks and building lines. Such amendments would be made at the time a future phase is being annexed to the control of this Master Declaration, would be made by Supplemental Declaration, and would not change or amend the Master Declaration as

such pertains to already developed phases of the lands previously annexed to the control of this Master Declaration.

Every Owner and any mortgagee of a Residential Lot, by acceptance of a deed or other conveyance therefore, thereby agrees that this Master Declaration may be amended as provided in this Section

Section 5. Supplemental Declarations; Annexation of Additional Property. Within 15 years of the date of execution of this Master Declaration or as long as Declarant is under contract to purchase lands within the Project designated for development as single family residential land including any new land annexed into the Project by amendment of the Master Plan, Declarant may, subject to compliance with Section 6 below, add lands to the Property by the filing of a supplemental declaration declaring such annexed lands to be subject to the provisions hereof, with such modifications and additions as may be applicable to such annexed lands. Upon the filing of such a supplemental declaration, the Residential Lots and lands annexed thereby shall become subject to this Master Declaration, to the assessment provisions hereof, and to the jurisdiction of the Architectural Control Committee and the Association. For purposes of Article IV, Section 2, the Residential Lots in the annexed lands shall be considered to have been part of the Property since the filing of this Master Declaration.

Section 6. Amplification. The provisions of this Master Declaration and any Supplemental Declaration are amplified by the Association Documents; but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Master Declaration and any applicable Supplemental Declaration on the one hand, and the Association Documents on the other, and such shall be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Master Declaration control over any terms or provisions in the Articles or By-Laws to the contrary.

Section 7. Permission. When any act by any party affected by this Master Declaration, which by the terms of this Master Declaration requires the permission or consent of the Declarant, such permission or consent shall only be deemed given when it is in written form, executed by the Declarant.

Section 8. Applicable Law. The law of the State of New Mexico shall govern the terms and conditions of this Master Declaration.

Section 9. Definitions. Whenever used herein and appropriate, the singular shall include the plural, the plural shall include the singular, and any gender shall include the others. When used herein, "vote, in person or by proxy, of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened to approve," or words similar thereto, mean obtaining the stated amount or percentage of all of the votes entitled to be cast at a meeting duly called and convened to consider the matter, and not just the stated amount or percentage of a quorum of the Members attending such meeting in person or proxy. When used herein, "votes cast, in

person or by proxy, at any regular or special meeting of the Members duly called and convened” to consider a matter, or words similar thereto, mean the stated amount or percentage of a quorum of the Members attending such meeting, in person or proxy, needed to approve such matter.

Section 10. Captions. The captions in this Master Declaration are for convenience only and shall not be deemed to be part of this Master Declaration or construed as in any manner limiting the terms and provisions of this Master Declaration to which they relate.

Section 11. Notice. Unless otherwise stated herein, any notice required or permitted to be given pursuant to this Master Declaration shall be in writing sent by prepaid, first class mail to such address of the Person to be notified as such Person may have designated or as would be reasonably anticipated to effectuate receipt of the notice. Any such notice shall be effective upon mailing in conformity with this Master Declaration. If any Person consists of more than one Person or entity, notice to one as provided herein shall be notice to all.

Section 12. Subassociation(s). Huning Ranch is divided into several areas in the Master Plan which are zoned or otherwise designated or limited for development and use as other than single-family use. These areas will be developed through Major Developers. As each such area is developed, Declarant or Huning Limited Partnership, or if the area is owned by a Major Developer, Huning Limited Partnership and such Major Developer, may record one or more Supplemental Declarations with respect thereto which will refer to this Master Declaration and designate the use classification for such area, and which may dedicate or designate common areas for such area and which may supplement this Master Declaration with such additional covenants, conditions, and restrictions as Declarant or Huning Limited Partnership, and if owned by a Major Developer, such Major Developer may deem appropriate for that area given that such area will be developed and used for other than single family use. Such Supplemental Declaration may, but need not, provide for the establishment of a Subassociation to be comprised of Owners within the area subject thereto. Any Supplemental Declaration may provide its own procedure for the amendment of any provisions thereof, subject to the consent of either Declarant or Huning Limited Partnership. All lands, Improvements and uses in each area so developed shall be subject to both this Master Declaration and the Supplemental Declaration, if any, for that area. In the event of any conflict between any such Supplemental Declaration and this Master Declaration, the terms and provisions of this Master Declaration shall govern excepting those provisions that specifically concern the development of Residential Lots or single family use restrictions.

Article IX

Disclaimer of Liability of Association

Notwithstanding anything contained herein or in the articles of incorporation, by-laws, any rules or regulations of the association or any other document governing or binding the Association (collectively the "Association Documents"), neither the

Association nor the Declarant nor any officer or employee thereof shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any owner, occupant or user of any portion of Huning Ranch including, without limitation, residents and their families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:

(a) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern or regulate the uses of the Property have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof;

(b) the Association is not empowered, and has not been created to act as an entity which enforces or ensures the compliance with the laws of the United States, State of New Mexico, the Village of Los Lunas, the County of Valencia, and/or any other governmental jurisdiction or the prevention of tortious activities; and

(c) any provisions of the Association Documents setting forth the uses of assessments which related to health, safety and/or welfare shall be interpreted and applied only as limitations of the uses of assessment funds and not as creating a duty of the association to protect or further the health, safety or welfare of any person(s), even if assessment funds are chosen to be used for any such reason.

Each Owner (by virtue of his acceptance of title to his Residential Lot) and each other person having an interest in or lien upon, or making any use of, any portion of the properties (by virtue of accepting such interest or lien or making such uses) shall be bound by this article and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the association arising from or connected with any matter for which the liability of the Association has been disclaimed in this article.

The Property (and the Common Area therein) may contain corridors and trails which may present hazards to persons and which may contain wildlife and other organisms and conditions of danger to children and other persons. All Owners, on behalf of themselves, their families, guests, and invitees, hereby agree that the Association shall have no liability for any activities undertaken by any person on Association lands which result in injury from such natural elements. All Owners, families, invitees and guests agree that any person using such lands does so at his own risk. All Owners shall undertake to warn others of such hazards when appropriate.

As used in this article, "Association" shall include within its meaning all of association's directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors and assigns. The provisions of this Article shall also inure to the benefit of the Declarant, its officers,

members, employees and agents, and the Association, all of whom shall be fully protected hereby.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed in its name by its officers thereunto duly authorized on the day and year first above written.

CURB SOUTH LLC,
a New Mexico limited liability company

By: Charles A. Haegelin
Charles A. Haegelin, Manager

STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

This Master Declaration was duly acknowledged before the undersigned notary public this 9th day of June, 2004, by Charles A. Haegelin, Manager of Curb South LLC, a New Mexico limited liability company, on behalf of said company.

s/ [Signature]
Notary Public

My Commission Expires: 4-1-06

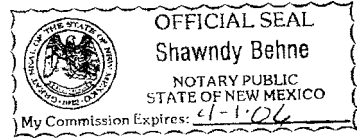


EXHIBIT A

Tract A-1 of the Summary Plat of the LANDS OF HUNING LIMITED PARTNERSHIP, as the same is shown and designated on said Summary Plat filed in the Office of the County Clerk of Valencia County, New Mexico, on November 4, 2003, in Volume J at Page 504, less and excepting therefrom the property described as follows:

That certain property beginning at the Southeast corner of parcel herein described whence (1) the NGS Control Monument "LUNAS" bears S 65° 22' 36" W, 9416.93 feet distant and (2) the N.M.S.H.C. Control Monument "I-25-R7" bears S 12° 52' 06" E, 4352.18 feet distant; Thence,

S 76° 31' 14" W , 48.77 feet to a point of curvature; Thence,
Northwesterly , 408.14 feet on the arc of a curve to the right (said curve having a radius of 311.00 feet, a central angle of 75° 11' 33" and a chord which bears N 65° 52' 18" W, 379.48 feet to point of reverse curvature; Thence,
Northwesterly , 449.68 feet on the arc of a curve to the left (said curve having a radius of 645.00 feet, a central angle of 39° 56' 44" and a chord which bears N 48° 14' 54" W, 440.63 feet to point of reverse curvature; Thence,
Northwesterly , 389.58 feet on the arc of a curve to the right (said curve having a radius of 330.35 feet, a central angle of 67° 34' 05" and a chord which bears N 34° 26' 15" W, 367.39 feet to point of tangency; Thence,
N 00° 39' 12" W, 146.19 feet to a non tangent point on curve and the Northwest corner of the parcel herein described; Thence,
Southeasterly , 494.12 feet on the arc of a curve to the right (said curve having a radius of 2964.00 feet, a central angle of 09° 33' 06" and a chord which bears S 85° 52' 39" E , 493.55 feet to point of tangency; Thence,
S 81° 06' 06" E , 336.15 feet to a point of curvature; Thence,
Southeasterly , 73.75 feet on the arc of a curve to the right (said curve having a radius of 50.00 feet, a central angle of 84° 30' 28" and a chord which bears S 38° 50' 52" E , 67.24 feet to point of reverse curvature; Thence,
Southeasterly , 752.06 feet on the arc of a curve to the left (said curve having a radius of 2562.00 feet, a central angle of 16° 49' 08" and a chord which bears S 05° 00' 12" E , 749.36 feet to the Southeast corner and point of beginning of the parcel herein described.

**SUPPLEMENTAL DECLARATION
NOTICE OF DECLARANT'S RIGHT TO MAKE
FUTURE CHANGES TO THE HUNING RANCH MASTER PLAN**

This Supplemental Declaration is made this 9 of January, 2008, by Curb South LLC, a New Mexico limited liability company, herein called "Declarant," with the written consent of Vargas Land, LLC, the owner of the land identified in Exhibit "A" hereto.

Whereas, Declarant is the developer of the project known as Huning Ranch (the "Project") lying with San Clemente Grant in projected Sections 23, 24, 25, Township 7 North, Range 1 East, New Mexico Principal Meridian, Valencia County, New Mexico; and

Whereas, Declarant has previously recorded that certain Master Declaration of Covenants, Conditions and Restrictions for Huning Ranch, dated June 9, 2004, and recorded on June 10, 2004, in Book 356, Page 3303, of the Public Records of Valencia County, New Mexico, as amended by that certain Amendment dated March 7, 2005, and recorded on March 8, 2005, in Book 359, Page 4187, of the Public Records of Valencia County, New Mexico, as amended by Supplemental Declaration dated October 11 2005, and recorded on October 13, 2005, in Book 359, Page 19255, of the Public Records of Valencia County, New Mexico (collectively, the "Master Declaration");

Whereas, the Master Declaration provides for the right of the Declarant to supplement the terms of the Master Declaration by Supplemental Declaration.

NOW, THEREFORE, the Declarant hereby declares as follows:

1. That the real property described as Tracts 1-E-1-A-1 and 1-E-1-A-2, as more fully described in Exhibit "A" hereto, hereinafter the "Property," is made subject to, and shall be held, sold and conveyed subject to, the following covenants and conditions:

A. The Master Declaration describes the Master Plan, which is that certain Huning Ranch 2003 Area Plan amended October 30, 2003, and approved by the Village of Los Lunas' governing body on November 16, 2003, and again amended April 2006, showing a total of 2,197 acres of land that is or may become subject to the Master Declaration. The Master Plan affects the Project, as said term is defined in Article I, Section 19 of the Master Declaration.

B. **Declarant reserves the right, in its sole discretion, subject to approval by Huning Limited Partnership as long owns land within the Project, to amend from time to time the Master Plan as such affects land within the Project, but excluding the Property. Declarant's right to amend the Master Plan includes, but is not limited to, the right to make the following changes to the Master Plan, to wit:**

VALENCIA COUNTY
SALLY PEREA, CLERK
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BY LVALLEJOS


- i. realign, add or remove proposed public streets shown in the Master Plan;
- ii. relocate, add, reduce, or remove proposed public parks shown in the Master Plan;
- iii. relocate, add, reduce, or remove proposed open space shown in the Master Plan;
- iv. relocate, add, reduce, or remove proposed school sites shown in the Master Plan;
- v. change the proposed zoning classifications and/or density for land, outside the Property, shown in the Master Plan; and
- vi. make other changes and adjustments to the Master Plan as Declarant may deem, in its sole discretion, to be its best interest in developing the land, outside the Property, within the Project.

2. Each buyer of a Lot or other real property within the Property takes title to such Lot or real property subject to the terms of this Supplement and agrees, by its acceptance of title, that it does not obtain an implied grant, an implied easement, an implied covenant, or a right based on any other legal or equitable principal, to require the Declarant, or its successors and assigns, to develop the Project, outside of the Property, as currently shown in the Master Plan.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed in its name by its officers thereunto duly authorized on the day and year first above written.

CURB SOUTH LLC,
a New Mexico limited liability company

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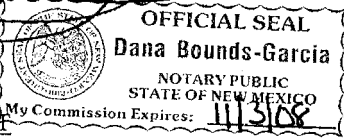
By: 
Stan Strickman, Manager

STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

This Supplement to the Master Declaration was duly acknowledged before the undersigned notary public this 9 day of January, 2008, by Stan Strickman, Manager of Curb South LLC, a New Mexico limited liability company, on behalf of said company.

[Handwritten Signature]
s/ Dana Bounds-Garcia
Notary Public

My Commission Expires: 11-3-08



OWNER'S CONSENT

Vargas Land, LLC, a New Mexico limited liability company, as owner of the Property, hereby consents to the terms above, and hereby subjects the Property to the terms above. This Supplemental Declaration shall run with the land and bind the successors and assigns, and future owners, of the Property or portions thereof including but not limited to lots developed through the further platting and subdivision of the Property.

VARGAS LAND, LLC,
a New Mexico limited liability company

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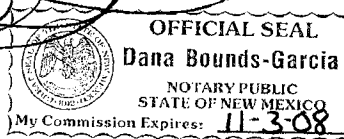
By: *[Handwritten Signature]*
Stan Strickman, Manager

STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

This Supplement to the Master Declaration was duly acknowledged before the undersigned notary public this 9 day of January, 2008, by Stan Strickman, Manager of Vargas Land, LLC, a New Mexico limited liability company, on behalf of said company.

[Handwritten Signature]
s/ Dana Bounds-Garcia
Notary Public

My Commission Expires: 11-3-08



JUBILEE AT LOS LUNAS SUBDIVISION

FIRST DECLARATION SUBJECTING ADDITIONAL PROPERTY TO THE AMENDED AND
RESTATED SUPPLEMENTAL DECLARATION TO THE MASTER DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HUNING RANCH PERTAINING TO
THE JUBILEE AT LOS LUNAS SUBDIVISION

This First Supplemental Declaration Subjecting Additional Property To The Amended And Restated Supplemental Declaration To The Master Declaration Of Covenants, Conditions, And Restrictions For Huning Ranch Pertaining To The Jubilee At Los Lunas Subdivision (the "First Supplemental Declaration") is made by Jenamar Jubilee, Inc., a Washington corporation (the "Declarant").

1. Recitals. The following Recitals apply to this First Supplemental Declaration.

A. Declarant is the owner of the real estate described in Exhibit A attached to this Supplemental Declaration (the "Additional Property").

B. The Additional Property is located within the master-planned community known as Huning Ranch and is subject to the Master Declaration of Covenants, Conditions, Restrictions and Easements for Huning Ranch, recorded at Book 356, Page 3303, Real Property Records of Valencia County, New Mexico, on June 10, 2004, as amended by an Amendment to the Master Declaration of Covenants, Conditions, and Restrictions for Huning Ranch recorded at Book 359, Page 4187, Real Property Records of Valencia County, New Mexico, on March 8, 2005 (collectively, the "Master Declaration").

C. Declarant has previously recorded a the Amended And Restated Supplemental Declaration To The Master Declaration Of Covenants, Conditions, And Restrictions For Huning Ranch Pertaining To The Jubilee At Los Lunas Subdivision recorded in the real property records of Valencia County, New Mexico on June 15, 2007, in Book 361, Page 11321 (the "Supplemental Declaration") subjecting Jubilee At Los Lunas Subdivision to the master Declaration, as amended, and superseded by the terms of the Supplemental Declaration.

D. Paragraph 13 of the Supplemental Declaration gives Declarant the right to unilaterally subject the Additional Property to the terms and conditions of the Supplemental Declaration. Declarant desires to subject the Additional Property to the terms and conditions of the Supplemental Declaration.

2. Additional Property. The Additional Property will be held, sold and conveyed subject to the Supplemental Declaration, the Supplemental Declaration will run with and bind the Additional Property and the Supplemental Declaration will be binding on, and inure to the benefit of, all parties having any right, title or interest in the Additional Property or any part of the Additional Property and their respective heirs, personal representatives, successors and assigns.

3. Miscellaneous. Capitalized terms used but not defined in this First Supplemental Declaration have the meanings given to them in the Supplemental Declaration.

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JENAMAR JUBILEE, INC., a Washington corporation

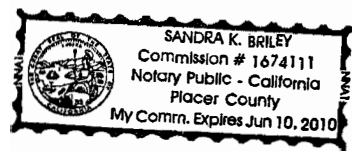
By: *Jonathan A. Cohen*
Name Jonathan A. Cohen
Title President

STATE OF CA
COUNTY OF Placer

This instrument was acknowledged before me on January 8, 2008, by Jonathan A. Cohen as President of Jenamar Jubilee, Inc., a Washington corporation, on behalf of the corporation.

Sandra K. Briley
Notary Public

6/10/10
My commission expires:



VALENCIA COUNTY
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BY LVALLEJOS

EXHIBIT A
(Additional Property)

Tract 1-E-1-A-1, being a replat of Tract 1-E-1-A, LANDS OF HUNING LIMITED PARTNERSHIP, situate within the San Clemente Grant in projected Sections 24 and 25, Township 7 North, Range 1 East, New Mexico Principal Meridian, Valencia County, New Mexico as the same is shown and designated on the plat thereof filed in the Office of the County Clerk of Valencia County, New Mexico on January 4, 2008, in Cabinet M, Page 58.

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BY LVALEJOS

NOTICE OF EXPIRATION OF RESTRICTIVE COVENANT
AGREEMENT AS TO THE HUNING COVENANT PROPERTY

Jubilee Los Lunas, LLC, a Delaware limited liability company ("Jubilee LL"), states as follows:

1. Huning Limited Partnership, a New Mexico limited partnership ("Huning"), Curb South LLC, a New Mexico limited liability company ("Curb"), and Jenamar Communities, LLC, a Nevada limited liability company ("Jenamar") are parties to a Restrictive Covenant Agreement recorded in the real property records of Valencia County, New Mexico (the "Recording Office") on July 19, 2006, as Document Number 200614038, as reaffirmed by a Reaffirmation of Restrictive Covenant among Huning, Curb and Assignor recorded in the Recording Office on September 18, 2007, as Document Number 200717627 and joined in by Vargas Land, LLC, a New Mexico limited liability company ("Vargas") pursuant to a Joinder Agreement made by Vargas and recorded in the Recording Office on September 18, 2007, as Document Number 200717628 (collectively, the "Agreement").

2. By means of an unrecorded Assignment of Restrictive Covenant Agreement dated September 19, 2008, Jenamar assigned its interest in the Agreement to Jubilee, LL.

3. By means of this Notice of Expiration of Restrictive Covenant Agreement, Jubilee LL, the beneficiary of the restrictive covenants contained in the Agreement, gives notice that the Option Agreement (defined in the Agreement) has been terminated and the Agreement has expired and no longer encumbers or restricts the Huning Covenant Property (defined in the Agreement).

[SIGNATURE ON NEXT PAGE]

VALENCIA COUNTY
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BY LVALLEJOS

Dated: December 5, 2008.

JUBILEE LOS LUNAS, LLC, a Delaware limited liability company

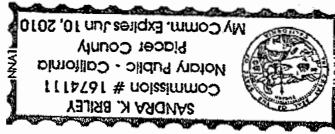
By Mark Kaplan
Name _____
Name MARK KAPLAN
Title MANAGING MEMBER

STATE OF CA
COUNTY OF Placer

The foregoing instrument was acknowledged before me on December 4, 2008, by Mark Kaplan as Managing Member of Jubilee Los Lunas, LLC, a Delaware limited liability company.

Sandra K. Briley
Notary Public

6/10/10
My commission expires:



VALENCIA COUNTY
SALLY PEREA, CLERK
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BY LVALLEJOS

**Amendment to the Master Declaration
of Covenants, Conditions, and Restrictions for Huning Ranch**

Courtesy Recording
No Title Liability
Rio Grande Title Company Inc.
File # 2503240
Clerk MB-KM

This Amendment to the Master Declaration of Covenants, Conditions and Restrictions (this "Amendment") is made this 31ST of March, 2009, by Huning Ranch Owners' Association, Inc., a not-for-profit corporation (the "Association").

Whereas, Curb South, LLC, a New Mexico limited liability company (the "Declarant") previously recorded that certain Master Declaration of Covenants, Conditions and Restrictions for Huning Ranch, dated June 9, 2004, and recorded on June 10, 2004, in Book 356, Page 3303, of the Public Records of Valencia County, New Mexico and as amended by that certain Amendment to the Master Declaration of Covenants, Conditions, and Restrictions for Huning Ranch dated March 7, 2005, as recorded on March 8, 2005, in Book 359, Page 4187, all recorded in Valencia County, New Mexico (collectively, the "Master Declaration"); and

Whereas, Association desires to further amend the Master Declaration on the terms stated below.

NOW, THEREFORE, the Association hereby declares as follows:

1. Residential Lots located within the Properties subject to the Master Declaration including but not limited to real property which has been or is hereafter made subject to the Master Declaration by Supplemental Declaration (including the Sundance, Desert Sky, Wildflower, Trailside, Sagebrush, The Bluffs and Desert Willow Subdivisions within Huning Ranch) are made subject to the following additional covenants and restrictions, which covenants and restrictions are in addition to, but not in replacement of, covenants and restrictions contained in the Master Declaration and in any Supplemental Declaration concerning the same subject matter, to wit:

Section 38. Additional Residential Lot Restrictions and Requirements; Additional Terms:

1. Additional Terms Paragraph 38.1. In addition to minimum landscaping plans provided in a Supplemental Declaration applicable to a Property (a Subdivision) located within the Project (Huning Ranch), the landscape plan for the front and side yard of a Residential Lot (or, for The Bluffs, the Residential Lot Privacy Area) may consist of the following plan:

Plan C: Xeriscape (*from the Greek word xeros, which means dry*)

In the landscaping of a Residential Lot, it is urged that plant materials, irrigation systems, and maintenance practices be utilized which conserve water. It should be noted that in using xeriscape landscape practices, a more traditional green appearance can still be achieved while using much less water than typical suburban

residential landscapes. Natural landscape including drought-tolerant plants and grasses are to be incorporated in such a landscape design. Use of blue grass and other turf which is not drought tolerant is discouraged. For further information, see the New Mexico Office of the State Engineer's New Mexico Water Conservation Program (currently available on line at:

<http://www.ose.state.nm.us/water-info/conservation/enchanted-xeriscape.html#watering-tips>) for Area 2/Central New Mexico.

Drought tolerant plant materials include but are not limited to the following:

Sod: Blue grama, buffalo grass and drought tolerant fescues.

Perennials and groundcovers: Blackfoot Daisy, Bush Morning Glory, Chocolate Flower, Gray Santolina, Paperflower, Palmer Penstemon, Blanket Flower, Cotoneaster, Mexican Evening Primrose, Purple Iceplant, Sedum, Spotted Gayfeather.

Shrubs and accents: Apache Plume, Beargrass, Bird of Paradise, Chamisa, Creosote Bush, Mormon Tea, Three-Leaf Sumac, Cliffrose, Fernbush, Fountain Grass, Rosemary, Spanish Broom.

Trees: Arizona Cypress, Desert Willow, Honey Mesquite, One-Seed Juniper, Blue Atlas Cedar, Chaste Tree, Chinese Pistache, Desert Willow, Mexican Elder, New Mexico Olive.

The number of plants and boulders allowed in Plan C shall be as specified in Plan B: Without Sod.

Use of leaky pipe or similar irrigation equipment is discouraged. An underground irrigation system is not required, but if installed such system must be automatic and must be capable of being calibrated to set proper watering times (including length of watering) based on irrigation needs. Hand watering is encouraged. If an automatic irrigation system is not installed, the Owner is responsible for maintaining all of the plant material with controlled hand watering.

2. Additional Terms Paragraph 38.2. All Residential Lots are made subject to the following terms:

A. Each Owner is responsible for the monthly monitoring of water usage as reflected on the Residential Lot's water bill to ensure that over-watering does not occur. Winter use should decrease significantly.

B. Each Owner is responsible for replacing worn or broken irrigation components, identifying and repairing irrigation leaks, identifying and repairing broken or faulty sprinkler heads, identifying and repairing system malfunctions, periodically calibrating irrigation system to determine proper watering times (start time, stop time, and length of watering period(s)) based on irrigation needs during the fall, winter, summer and spring seasons, and performing periodic visual inspections to identify excessive runoff including but not limited to standing water in sod and graveled areas, on sidewalks, on driveways, and on street areas adjacent to the Owner's Residential Lot.

C. Irrigation systems shall be continuously maintained in working order so that the application rate of water to landscape and grass does not exceed the ability of the soil to absorb and retain water applied during one application. Owner shall prevent run-off.

D. The Association may (but is under no obligation) from time to time inspect a Residential Lot and require where appropriate calibration of all automatic irrigation systems and resetting of irrigation controllers or timers to account for seasonal changes in plant growth and local weather conditions.

E. If an Owner's irrigation system is not functioning properly, the Association may direct the Owner to correct this problem and, if not corrected in a timely manner, the Association may take steps to correct the problem and assess, as a specific assessment, the cost of such to the Owner.

F. Running water hoses and hose bibs shall not be left unattended.

G. Care shall be given in the design, maintenance and use of Residential Lot irrigation systems to minimize over spray onto walkways, driveways and streets.

H. The Architectural Control Committee shall require the use of automatic controllers, drip irrigation, low water consumption irrigation heads and micro-jet spray heads for any new or replacement irrigation system installed for a Residential Lot.

I. Watering shall be done in the early morning or evening depending on the time of the year.

J. Sod and any watered planting beds shall not be planted within five (5) feet of any structural foundation. Sod areas and watered planting beds near structural foundations shall be sloped so that excess irrigation water will run off and away from structural foundations promptly.

K. Sprinkler lines and drip irrigation mains for any new or replacement irrigation system installed for a Residential Lot shall be located a minimum of five feet away from the structural foundations.

L. Trees and shrubs within five feet of structural foundations shall be hand watered or watered using controlled drip irrigation. If controlled drip irrigation is used, emitters should discharge no more than one gallon per hour.

M. For landscape plans approved and in place prior to the adoption of this Amendment, as such plan is amended or supplemented such plan and the approved landscaping on a Residential Lot shall be brought into compliance with this restriction.

N. Each Owner is responsible for ensuring that the tenant(s) of Owner's Residential Lot strictly complies with this Additional Terms Paragraph 38.2.

3. This Amendment is executed by the undersigned officer(s) of the Association following a special meeting of the Association duly called and held on February 23, 2009, for the purpose of approving the adoption of this Amendment as an amendment of the Master Declaration and the Supplemental Declarations for the Project. At such meeting, the adoption of this Amendment was approved by a two-thirds (2/3) vote of the total of votes of all Members able to be cast at any regular or special meetings of the Association.

4. All capitalized terms used herein shall have the meaning ascribed to such in the Master Declaration.

5. The Declarant joins this Amendment giving its consent to this Amendment.

IN WITNESS WHEREOF, the Association has caused this Amendment to be executed in its name by its officers thereunto duly authorized on the day and year first above written.

HUNING RANCH OWNERS'
ASSOCIATION, INC.,
a New Mexico not-for-profit corporation

By 

Its President

Attest:

By: Mary A. Hackett
Its Secretary

JOINING THIS AMENDMENT TO GIVE ITS CONSENT:

CURB SOUTH LLC,
a New Mexico limited liability company

By: Charles A. Haegelin
Charles A. Haegelin, Manager

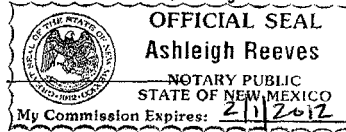
STATE OF NEW MEXICO)
)ss
COUNTY OF Bernalillo)

This Amendment to the Master Declaration was duly acknowledged before the undersigned notary public this 31st day of March, 2009, by

Stan Strickman and Mary Strickman, president and secretary, respectively, of Huning Ranch Owners' Association, Inc., a New Mexico not-for-profit corporation.

s/ Ashleigh Reeves

Notary Public



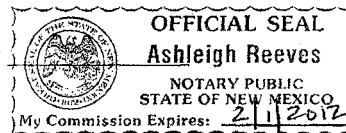
My Commission Expires:

STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

This Amendment to the Master Declaration was duly acknowledged before the undersigned notary public this 31st day of March, 2009, by Charles A. Haegelin, Manager of Curb South LLC, a New Mexico limited liability company, on behalf of said company.

s/ Ashleigh Reeves

Notary Public



My Commission Expires:

**NOTIFICATION REQUIREMENT FROM TITLE COMPANIES
OF SALE OF RESIDENTIAL LOTS IN
HUNING RANCH SUBDIVISION**

VALENCIA COUNTY
SALLY PEREA, CLERK
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Book 365 Pg 2875
1 of 3
03/09/2011 11:16:13
BY PAMT.DD

THIS REQUEST is made by Huning Ranch Owners' Association, Inc., a New Mexico nonprofit corporation (the "Association"), on the 2nd day of March, 2011.

WHEREAS, the following property (collectively, "Huning Ranch Subdivision"):

SUNDANCE, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on January 24, 2004, in Book J, Page 539;

WILDFLOWER SUBDIVISION, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on July 1, 2005, in Book J, Page 597;

SAGEBRUSH AT HUNING RANCH, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on March 1, 2006, in Book J, Page 653;

DESERT SKY SUBDIVISION, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on November 1, 2006, in Book J, Page 735;

TRAILSIDE SUBDIVISION, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on November 14, 2006, in Book J, Page 716;

THE BLUFFS AT EL CERRO, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on June 18, 2007, in Book M, Page 30;

THE TRAILS AT EL CERRO, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on June 18, 2007, in Book M, Page 31;

DESERT WILLOW SUBDIVISION, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on June 22, 2007, in Book M, Page 34;

JUBILEE SUBDIVISION – PHASE ONE, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on November 1, 2006, in Book J, Page 736;

JUBILEE SUBDIVISION – PHASE TWO, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on December 4, 2007. in Book M, Page 56;

JUBILEE SUBDIVISION – PHASE 2A-1, as the same is shown and designated on the plat of said subdivision, filed in the office of the County Clerk of Valencia County, New Mexico, on November 26, 2008, in Book M, Page 106.,

is encumbered by the MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR HUNING RANCH, as supplemented and amended (the "Declaration"), which Declaration was filed for record on June 10, 2004, and recorded in Book 356, Page 3303, of the records of Valencia County, New Mexico.

WHEREAS, owners of the Residential Lots (as defined in the Declaration) within Huning Ranch Subdivision are members of the Association and are obligated to pay assessments to the Association, which assessments are liens against an owner's Residential Lot, and it is necessary for the Association to keep its records regarding members current.

THEREFORE, the Association requires that any title company closing a conveyance of a Residential Lot or recording the refinancing of a Residential Lot in Huning Ranch Subdivision (i) notify the Association of the pendency of the closing or refinancing and obtain from the Association a current homeowner statement showing the amount of any unpaid assessments and any transfer or refinancing fees required to be paid in connection with the closing or refinancing fees; (ii) collect at closing or refinancing the amount of any assessments which are due and unpaid at that time, along with any such transfer or refinancing fees, in order to enable the collection by the Association of such items; and, for closings only, (iii) notify the Association in writing, by copy of deed, to include the Residential Lot number, subdivision phase of the purchased Residential Lot, and the name and address of the purchaser of the Residential Lot. The address of the Association is as follows:

Huning Ranch Owners' Association, Inc.
c/o Owners Association Management Company
P. O. Box 67590
Albuquerque, NM 87193-7590
(505) 888-4479

VALENCIA COUNTY
SALLY PEREA, CLERK
201102875
Book 365 Pg 2875
2 of 3
03/09/2011 11:16:13
BY PARMED

Rio Grande Title File # 2503240
Closer: ML
Branch: main

JUBILEE AT LOS LUNAS SUBDIVISION

**Supplemental Declaration to the Master Declaration
of Covenants, Conditions, and Restrictions for Huning Ranch
Pertaining to the Jubilee At Los Lunas Subdivision**

VALENCIA COUNTY
TINA GALLEGOS, CLERK
200614036
Book 360 Pg 14036
1 of 14
07/19/2006 03:59:46
BY HDELEON

This Supplemental Declaration is made on July 18, 2006, by Curb South LLC, a New Mexico limited liability company, herein called "Declarant."

Whereas, Declarant is the owner of certain real property in Valencia County, New Mexico, shown and described in Tract Five (5), LANDS OF HUNING LIMITED PARTNERSHIP SITUATE WITHIN THE San Clemente Grant in projected Sections 23, 24, 25, Township 7 North, Range 1 East, New Mexico Principal Meridian, Valencia County, New Mexico as the same is shown and designated on the plat thereof (the "Plat"), filed in the Office of the County Clerk of Valencia County, New Mexico, on January 31, 2006, in Cabinet J at Page 647, which description is incorporated hereinafter referenced as "Jubilee at Los Lunas" or the "Property";

Whereas, Declarant has previously recorded that certain Master Declaration of Covenants, Conditions and Restrictions for Huning Ranch, dated June 9, 2004, and recorded on June 10, 2004, in Book 356, Page 3303, of the Public Records of Valencia County, New Mexico, as amended by that certain Amendment dated March 7, 2005, and recorded on March 8, 2005, in Book 359, Page 4187, of the Public Records of Valencia County, New Mexico, as amended by Supplemental Declaration dated October 11 2005, and recorded on October 13, 2005, in Book 359, Page 19255, of the Public Records of Valencia County, New Mexico (collectively, the "Master Declaration");

Whereas, the Declarant will convey the Property to Jenamar Jubilee, Inc. a Washington corporation (herein, the "Developer/purchaser"). The Developer/purchaser will organize, pursuant to New Mexico law, a sub-association named the Jubilee at Los Lunas Homeowners' Association, Inc. (hereinafter, the "Association"), a New Mexico not for profit corporation, charged with the responsibilities generally outlined below; and

Whereas, Declarant desires to subject the Property to the provisions of the Master Declaration, and Declarant, Developer/purchaser and Huning Limited Partnership (herein, "HLP") desire to evidence certain understandings of Declarant, Developer/purchaser and HLP with respect to the restatement, modification and amendment of this Supplemental Declaration.

NOW, THEREFORE, the Declarant hereby declares as follows:

Section 1. Jenamar at Los Lunas. The Property, commonly referred to as Jenamar at Los Lunas, shall be held, sold and conveyed subject to the Master Declaration and to the Master Declaration and this Supplemental Declaration, and the Master Declaration and this Supplemental Declaration shall run with and bind the Property, and shall be binding on, and inure to the benefit of, all parties having any right, title or

interest therein or any part of the Property and their respective heirs, personal representatives, successors and assigns.

Section 2. Restatement, Modification and Amendment of Supplemental Declaration. Within one hundred and twenty (120) days of the recording of this Supplemental Declaration, Declarant, Developer/purchaser and, to the extent required by the Master Declaration, HLP, will agree on a restatement, modification and amendment of this Supplemental Declaration (a "Restated Supplemental Declaration") that incorporates additional covenants and conditions addressing the following agreed concepts:

a. The establishment of design standards for Jubilee Los Lunas and the appropriate modification of the architectural and landscaping covenants contained in the Master Declaration as such pertain to Jubilee at Los Lunas, where appropriate, for the development of an active adult life style residential gated community that is compatible and complimentary to the existing Project, to include, but not be limited to, the following modifications:

i. The modification of Article I, Section 8 of the Master Declaration so that 20% or less of the Dwellings constructed on the Property may contain single-car garages; and

ii. The modification, if appropriate, of Article I, Section 25 of the Master Declaration to permit Developer/purchaser to organize and establish the Association.

b. The delegation of the responsibilities of the Architectural Control Committee created under the Master Declaration as to the Property to the Association;

c. The creation of the Association, and the granting of authority to the Association to enforce those provisions of the Master Declaration delegated to it as well as those provisions in the Restated Supplemental Declaration that pertain to items such as Membership in the Association, assessment rights of the Association, maintenance of the perimeter wall, monumentation, entrance(s) and private common areas and improvements within Jubilee at Los Lunas including control access gates, private residential streets and private parks, and drainage ponds and facilities.

The Developer/purchaser shall provide the Declarant and HLP with the first draft of the Restated Supplemental Declaration and the proposed design standards for Jubilee Los Lunas not later than ninety (90) days of the recording of this Supplemental Declaration, and Declarant, Developer/purchaser, and HLP and their respective counsel shall meet and confer, in a timely manner and as necessary, in order to meet the deadline of one hundred and twenty (120) days above to reach agreement on the terms of the Restated Supplemental Declaration. The Developer/purchaser shall not be permitted to pull foundation permits within Jubilee at Los Lunas until the Restated Supplemental Declaration has been approved in writing by the Declarant, Developer/purchaser, and

HLP and filed of record in the real estate records for Valencia County, New Mexico. If the parties are unable to overcome an issue relative to the terms of the Restated Supplemental Declaration, the parties agree to mediate such, in a punctual fashion, with a mediator acceptable to all parties and, if not, chosen by the presiding Judge for the Thirteenth Judicial District Court sitting in Valencia County, New Mexico, so as to not unnecessarily delay Developer/purchaser in its pulling of foundation permits in Jubilee at Los Lunas.

Section 3. Additional Tract 5 (Property) Restrictions.

a. Pursuant to the Plat of Jubilee Subdivision, an unfiled reduced copy of which is attached as Exhibit "A" (the "**Tract 5 Plat**"), the Property will be replatted into 379 residential building lots, designated on the Tract 5 Plat as Lots 1 through 379, inclusive (the "**Lots**") and 12 tracts designated on the Tract 5 Plat as Parcels A through K, inclusive and M (the "**Tracts**"). Parcel H is referred to herein as the "**Community Center Tract**." Upon the recording of the Tract 5 Plat this Supplemental Declaration shall be rerecorded after being supplemented with an exhibit which provides the Tract 5 Plat recording information.

b. The Lots shall be limited to use for single family residences, together with the following: (a) such incidental or secondary uses which are permitted from time to time by applicable governmental land use regulations for "home occupations" or similar incidental commercial uses, (b) temporary construction and sales related uses which are associated with the development of the Property and the construction and sale of homes on the Lots, which uses may include model homes, home sales offices, a design center, a construction office, a construction yard, storage of materials and staging areas, (c) open space, parks or common areas, and (d) in combination with other Lots to create larger Lots.

c. The Tracts shall be limited to public and/or private streets, utilities, parks, open space and common area facilities for passive and/or active recreational, health, and entertainment uses (the "Permitted Tract Uses"). The Community Center Tract shall be developed with a community center which has amenities for the Permitted Tract Uses. The Community Center Tract may be used for incidental commercial activities so long as use of the Community Center Tract is limited to primarily serving residents of the Property and, if permitted by the owner of the Community Center Tract, residents of the Project (as said term is defined in Article I, Section 19 of the Master Declaration) for Permitted Tract Uses. Examples of incidental commercial uses to which the Community Center Tract may be put include having the Community Center Tract operated as a "for profit" venture, leasing recreational facilities, leasing food service facilities, leasing craft or exercise facilities, and leasing space for banquets or events.

d. Termination or amendment of the Tract 5 Restrictions contained in Section 3 of this Supplemental Declaration shall require the prior written approval of the HLP for so long as HLP owns any land within the Project. This right shall be personal to

HLP and shall not pass to successor owners of any real property currently owned by HLP.

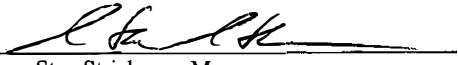
Section 4. Miscellaneous. All capitalized terms used herein shall have the meaning ascribed to such in the Master Declaration except the term "Mixed Density Residential Development District" which term is given the meaning ascribed to said term in the Master Plan. Except as otherwise provided herein, this Supplemental Declaration may not be amended without first obtaining the written consent of the Declarant and HLP. Said consent shall not be unreasonably withheld, conditioned or delayed.

Section 5. Jurisdiction over Administration of the Master Declaration. The Huning Ranch Owners' Association, Inc., retains all rights and authority under the Master Declaration, as annexed unto the Property by this Supplemental Declaration, until the parties have approved, in writing, and recorded, the Restated Supplemental Declaration.

Section 6. Savings Clause. If a court of competent jurisdiction determines that the provisions of Section 56-7-1 NMSA 1978, as amended, are applicable to this Supplemental Declaration or to any claim arising under this Supplemental Declaration, then any agreement in this Supplemental Declaration to indemnify, hold harmless, insure, or defend another party will not extend to liability, claims, damages, losses or expenses, including attorneys' fees, arising out of bodily injury to persons or damage to property caused by or resulting from, in whole or in part, the negligence, act or omission of the indemnitee, its officers, employees or agents. As used in this Section, the terms "indemnify" and "hold harmless" shall include the meanings specified in Section 56-7-1(E), which prohibits requirements to name the indemnified party as an additional insured for the purpose of providing indemnification that is otherwise not allowed under Section 56-7-1.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed in its name by its officers thereunto duly authorized on the day and year first above written.

CURB SOUTH LLC,
a New Mexico limited liability company

By: 
Stan Strickman, Manager

VALENCIA COUNTY
TINA GALLEGOS, CLERK
200614036
Book 360 Pg 14036
5 OF 14
07/19/2006 03:59:46
BY HDELEON

STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on July 19th, 2006, by Stan Strickman, Manager of Curb South LLC, a New Mexico limited liability company, on behalf of said company.



[Signature]
Notary Public

My Commission Expires: 3/11/07

APPROVAL BY PURCHASER/DEVELOPER

The undersigned Purchaser/developer approves the terms of this Supplemental Declaration and its Recordation.

JENAMAR JUBILEE, INC., a Washington corporation

By: [Signature]

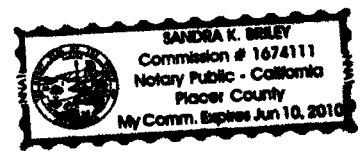
Its: SECRETARY

STATE OF California)
)ss
COUNTY OF Placer)

This instrument was acknowledged before me on July 18, 2006, by Mark Kaplan as President of Jenamar Jubilee, Inc., a Washington corporation on behalf of the corporation.

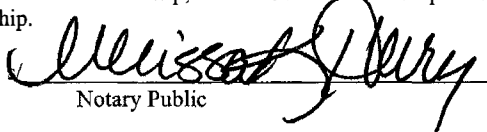
[Signature]
Notary Public

My Commission Expires: 6/10/2010



STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on July 19th 2006, by Louis F. Huning, as Personal Representative of the Estate of Fred D. Huning, Jr., deceased, General Partner of Huning Limited Partnership, a New Mexico limited partnership on behalf of the limited partnership.

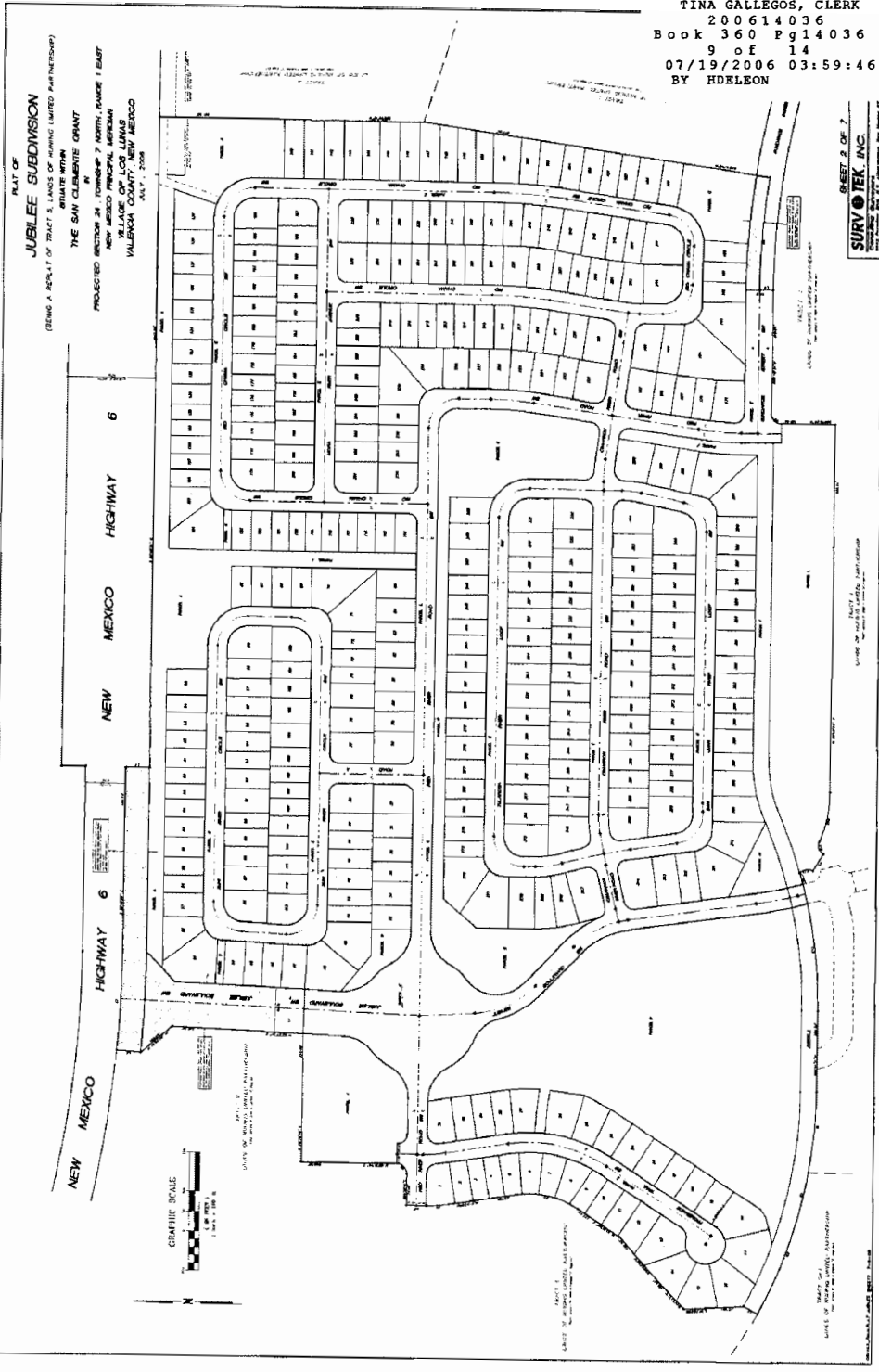

Notary Public



My Commission Expires: 3/11/07

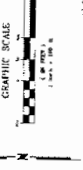
H:\Jenamar Communities\JAM\Closing Docs\supplemental declaration for Jubilee at Los Lunas rev 22 jam changes accepted.doc

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9 of 14
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BY HDELEON



PART OF
JUBILEE SUBDIVISION
(BEING A SPLIT OF TRACT 5, LANDS OF HOVING LIMITED PARTNERSHIP)
IN THE COUNTY OF
THE SAN JUAN COUNTY GRANT
PROJECTED SECTION 24, TOWNSHIP 7 NORTH, RANGE 1 EAST
NEW MEXICO PRINCIPAL MERIDIAN
VALLENCIA COUNTY, NEW MEXICO
JULY 7, 2006

SHEET 2 OF 7
SURV TEK INC.
SURVEYING & ENGINEERING
1000 N. 10TH ST. SUITE 100
MESA, AZ 85201
PH: 480-988-8888
WWW.SURVTEKINC.COM



DATE: 07/19/2006
TIME: 03:59:46
BY: HDELEON

VALENCIA COUNTY
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 10 of 14
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JUBILEE SUBDIVISION

(BEING A REPEAT OF TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP)

GRANTEE: MIMI

THE SAN CLEMENTE GRANT

PROJECTED SECTION 24, TOWNSHIP 7 NORTH, RANGE 1 EAST

NEW MEXICO PRINCIPAL MERIDIAN

VILLAGE OF LOS LUNAS

VALENCIA COUNTY, NEW MEXICO

JULY, 2006



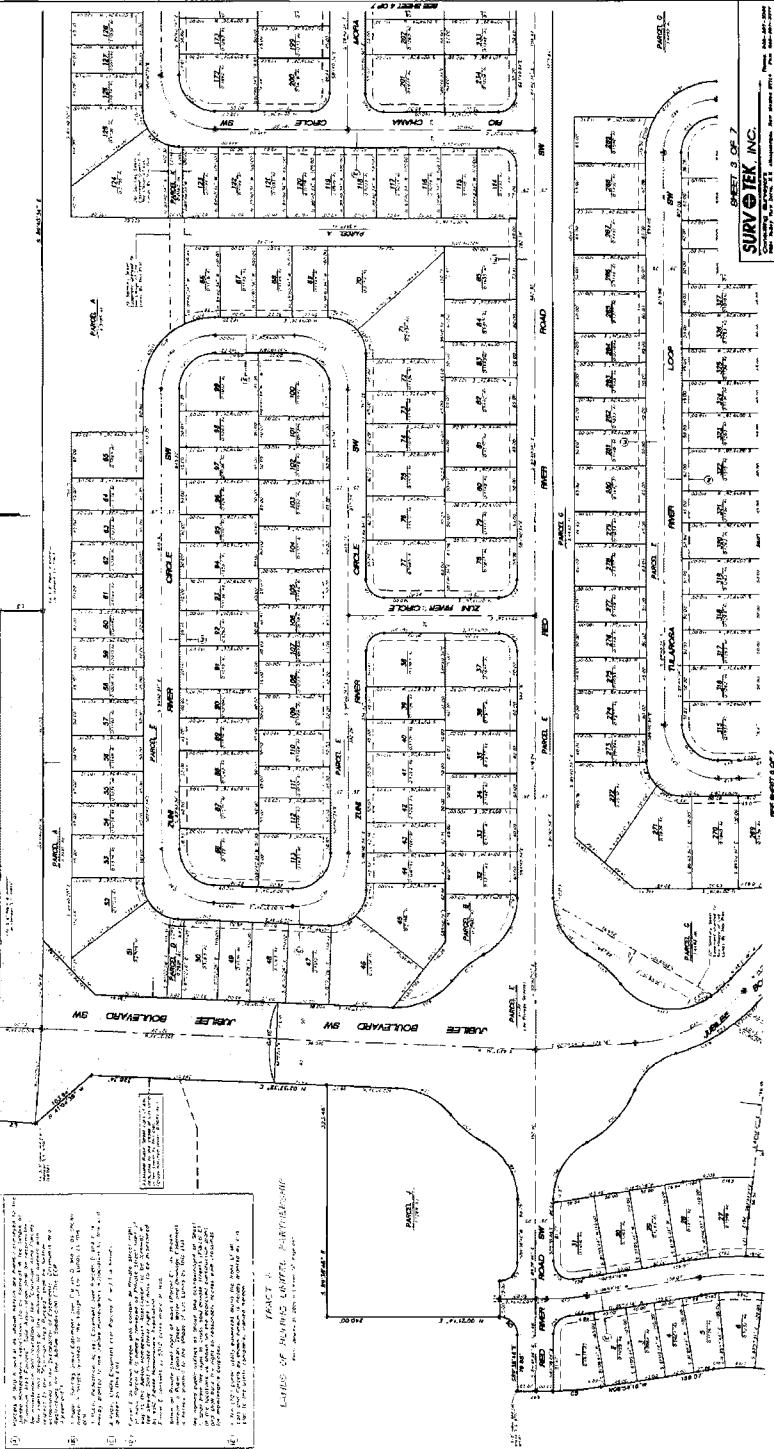
NEW MEXICO
 HIGHWAY 6

TRACT 5
LANDS OF HOUSING LIMITED PARTNERSHIP

TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, BEING A REPEAT OF TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, AS SHOWN ON THE MAP OF TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, FILED FOR RECORD IN PUBLIC RECORDS OF VALENCIA COUNTY, NEW MEXICO, BOOK 360, PAGE 14036, JULY 19, 2006.

TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, BEING A REPEAT OF TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, AS SHOWN ON THE MAP OF TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, FILED FOR RECORD IN PUBLIC RECORDS OF VALENCIA COUNTY, NEW MEXICO, BOOK 360, PAGE 14036, JULY 19, 2006.

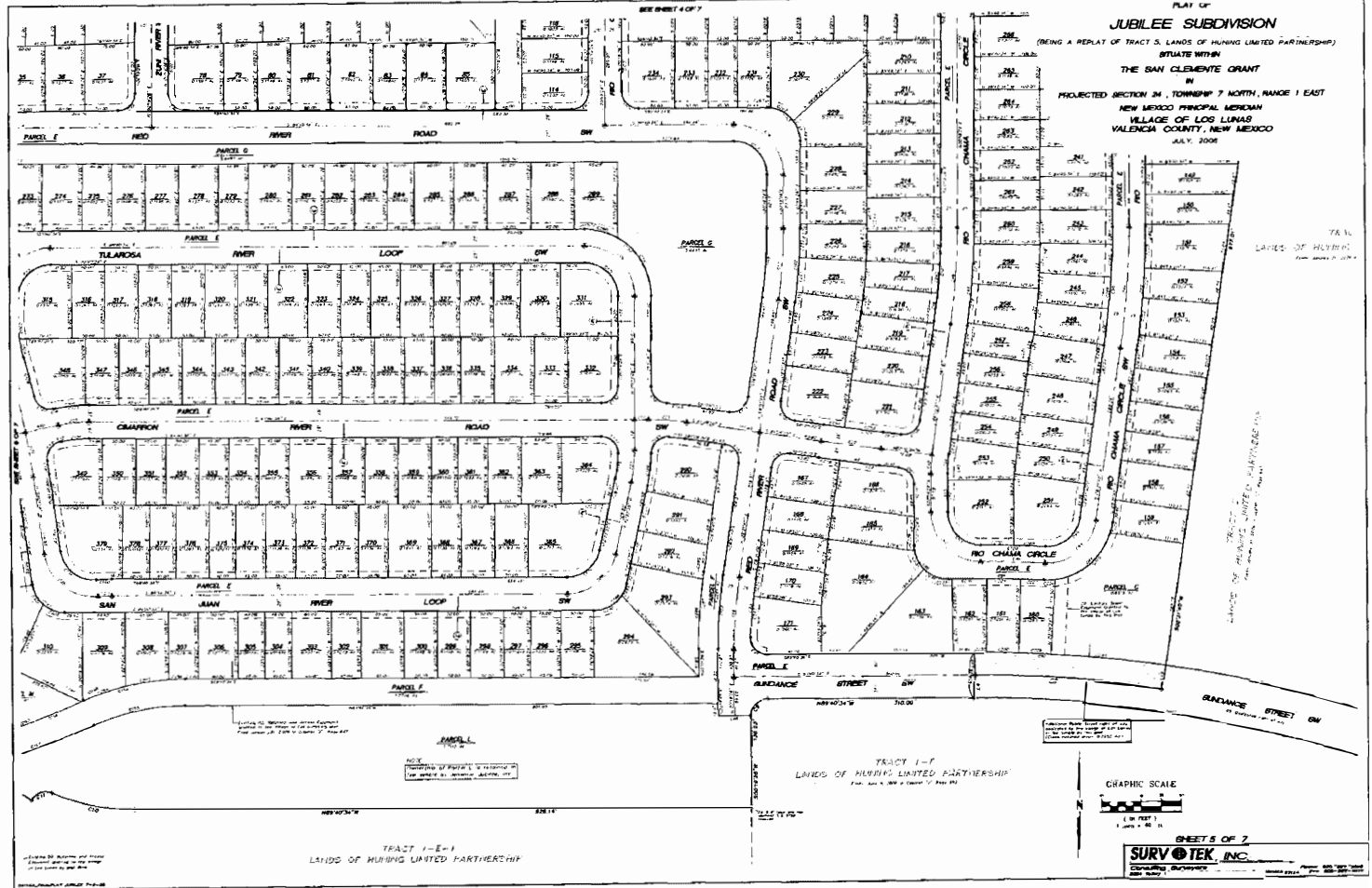
TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, BEING A REPEAT OF TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, AS SHOWN ON THE MAP OF TRACT 5, LANDS OF HOUSING LIMITED PARTNERSHIP, FILED FOR RECORD IN PUBLIC RECORDS OF VALENCIA COUNTY, NEW MEXICO, BOOK 360, PAGE 14036, JULY 19, 2006.



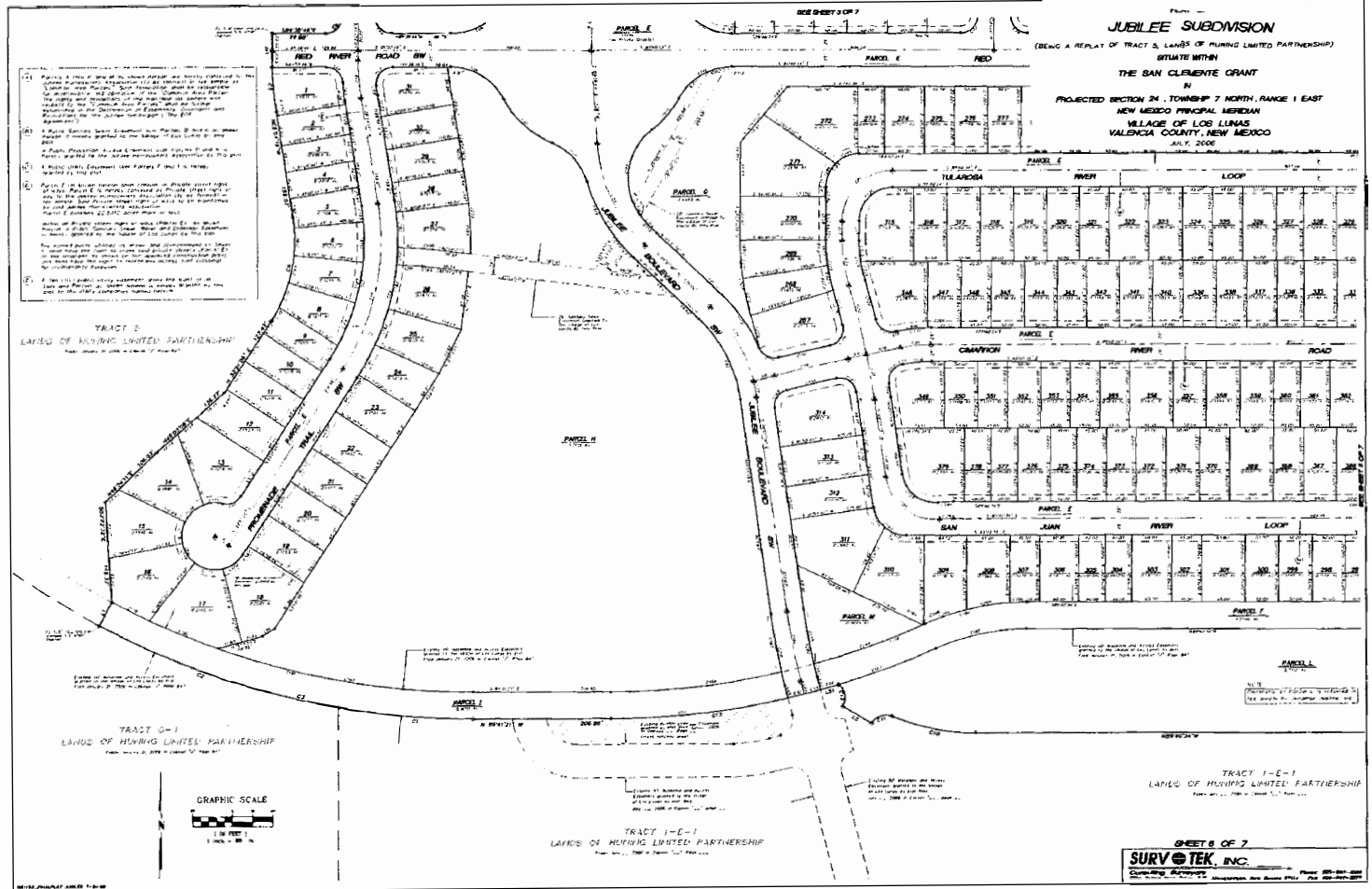
SURVEX, INC.
 SHEET 3 OF 7

DATE PLOTTED: 07/19/2006 03:59:46

VALENCIA COUNTY
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 12 of 14
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 BY HDELEON



VALENCIA COUNTY
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 13 of 14
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 BY HDELEON



Survey conducted by SURVOTEK, INC. on behalf of HURING LIMITED PARTNERSHIP. All rights reserved.

PUBLIC SERVICE COMPANY OF NEW MEXICO
UNDERGROUND EASEMENT (ELECTRIC)

THIS EASEMENT made this 20 day of July, 2006 by and between

Huning Limited Partnership, by John Huning

(Grantor) and PUBLIC SERVICE COMPANY OF NEW MEXICO, a New Mexico corporation, and Qwest Corporation authorized to do business in New Mexico (Grantees), and their successors and assigns. The rights of Grantee-Qwest Corporation hereunder are for communications purposes only.

WITNESSETH:

Grantor, for and in consideration of the sum of One Dollar (\$1.00) in hand paid and other valuable consideration, the receipt of which is acknowledged, does hereby give, bargain, sell, grant and convey unto Grantees a perpetual easement to build, rebuild, construct, reconstruct, locate, relocate, change, remove, replace, modify, renew, operate and maintain underground facilities for the transmission and distribution of electric power and energy and facilities for fiber optics and other communication purposes. Such facilities may include (but are not limited to) lines, cables, conduits and other equipment, fixtures, appurtenances and structures necessary to maintain such facilities on, over, beneath, through and across the easement hereinafter described, together with free access to, from and over said easement with the right and privilege of going upon, over and across adjoining lands of Grantor for the purposes set forth herein and with the right to utilize the easement to extend services to customers of Grantees and to trim and remove any trees, shrubs, bushes or vegetation and remove any structures which interfere with the purposes set forth herein. The easement granted herein is within lands situate in Valencia County, New Mexico, and is more particularly described as follows, to wit:

PNM ROWT Number 14158

An easement within a tract of land, said tract Belonging to Huning Limited Partnership situate in Section 19, T.7 N., R. 2 E., N.M.P.M., Valencia County, New Mexico and being more particularly described as follows:

An easement Ten (10) feet wide being ten (10) feet to the left of the following described survey line: Beginning at a point on the south boundary line of the above mentioned tract, whence the northwest corner of Tract 5 of Plat of LANDS OF HUNING LIMITED PARTNERSHIP, filed for record in the office of the County Clerk of Valencia County, New Mexico in Book J, Page 647 on January 31, 2006 bears S.50°10'30"W., 144.65 feet distant; running thence as an easement N.00°50'03"E., 60.04 feet to a point on curve; thence Easterly, 125.45 feet along the arc of curve, concave northerly, said arc having a radius of 2755.00 feet and a chord which bears S.88°22'13"E., 125.44 feet; thence S.89°40'20"E., 463.73 feet to a point on the north right-of-way line of New Mexico State Road No. 6; thence along said north right-of-way line of New Mexico State Road No. 6 S.89°40'34"E., 2521.52 feet to a point of curve; thence Easterly, 666.18 feet along the arc of curve, concave southerly, said arc having a radius of 2020.00 feet and a chord which bears S.80°15'10"E., 663.16 feet to the end of easement.

All as generally shown on the drawing attached hereto and made a part hereof as EXHIBIT "A".

Grantor hereby covenants that Grantor is the true and lawful owner of the land described herein.

Grantor shall have the right to use the above described easement for purposes not inconsistent with the rights hereby granted, provided that Grantor shall not erect nor construct any building, pool or other structure thereon, nor drill nor operate any well thereon, nor conduct any activity which violates provisions of the National Electric Safety Code.

The provisions hereof shall inure to the benefit of and bind the heirs, executors, mortgagees, lessees, tenants, successors and assigns of the parties hereto. Grantees shall have the unrestricted right to sell, transfer, assign, pledge, mortgage, lease, grant licenses or other use or occupancy rights with respect to, or otherwise dispose of, in whole or in part, any interest in the easement, and such assigns shall have the further right to convey, in whole or in part, the rights granted to them by Grantees.

WITNESS hand and seal this 20 day of July, 2006

X John L. Huning (SEAL)

Huning Limited Partnership (SEAL)

ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF Valencia
This instrument was acknowledged before me on July 20, 2006

By John L. Huning, Huning Limited Partnership

My commission expires: 3-1-2009 (Seal)

[Signature] Notary Public

ACKNOWLEDGMENT FOR CORPORATION

STATE OF
COUNTY OF
This instrument was acknowledged before me on _____, 20____

By _____ (Name of Officer) (Title of Officer)

of _____ (Corporation Acknowledgment)

a _____ corporation, on behalf of said corporation. (State of Incorporation)

Said officer hereby acknowledges that s/he is the duly authorized signatory for said corporation.

My commission expires: (Seal)

Notary Public

FOR RECORDER'S USE ONLY
VALENCIA COUNTY
TINA GALLEGOS, CLERK
200618454
Book 360 Pg 18454
1 of 2
09/20/2006 01:25:39
BY HDELEON

PNM REFERENCE NUMBER []

io Grande Title File # 2005927MA
User: Melissa Ready
Branch: Main

(11/6/06)

SPECIAL WARRANTY DEED
(Tracts 1-E-1 and 6)

HUNING LIMITED PARTNERSHIP, a New Mexico limited partnership, for consideration paid, grants to VARGAS LAND, LLC a New Mexico limited liability company, whose address is 5160 San Francisco, NE, Albuquerque, New Mexico, 87109, that real estate in Valencia County, New Mexico, described as follows:

Tract 1-E-1, as said Tract is shown and designated on the Plat of Tracts 1-E-1 and G-1-A, Lands of Huning Limited Partnership, filed in the Office of the County Clerk of Valencia County, New Mexico, on August 22, 2006, in Book J, Page 710; and

Tract Six (6), LANDS OF HUNING LIMITED PARTNERSHIP, as said Tract is depicted and described on the Subdivision Plat of Tracts 1 thru 6 and Tracts G-1 and J, filed in the Office of the County Clerk of Valencia County, New Mexico on January 31, 2006, in Cabinet "J", Page 647.

Subject to easements, restrictions, reservations and other matters of record;

Subject to real property taxes for the year 2006, and thereafter;

The Tracts of land conveyed by this Deed may be used only (i) for single-family residential lots (including one or more subdivisions containing single family residential lots), (ii) for roads, streets, parks, and common areas, and (iii) for private community facilities, to be used in connection with the single-family residential lots developed upon such Tracts. At the time of approval of such subdivision plats, Vargas Land, LLC, as Grantee hereunder, shall record comprehensive Covenants, Conditions and Restrictions on the property described above such as (i) the "Master Declaration" ~~as described in a Supplemental Declaration thereto~~ recorded in the Office of the County Clerk of Valencia County on June 10, 2004, 2006, in Book 356, at page 3303, or (ii) as has then been recorded for the Jubilee at Los Lunas Subdivision by Jenamar Jubilee, Inc. This restrictive use covenant shall run with the land, shall continue for a period of seventy-five (75) years after the date of recording of this Deed in the Office of the County Clerk of Valencia County, New Mexico, and thereafter shall be extended for successive periods of twenty (20) years each until and unless owners constituting two-third's (2/3) of all members of the Huning Ranch Owners Association, Inc. shall sign and record, in the Office of the County Clerk of Valencia County, New Mexico, a document to modify and/or terminate this restrictive use covenant. By its acceptance and recording of this Deed, Vargas Land, LLC, the grantee, for itself and its successors in ownership of all or any portion of the property conveyed hereunder, specifically approves and accepts the Restrictions. It is provided, notwithstanding anything to the contrary, that a written document approved by Grantor and Grantee of this Deed, filed of record in the Office of the County Clerk of Valencia County, New Mexico, shall be sufficient to amend the aforesaid restrictive use restriction;

with special warranty covenants.

IN WITNESS whereof, this Special Warranty Deed has been signed by the Grantor as of the 7 day of November, 2006.

HUNING LIMITED PARTNERSHIP,
a New Mexico limited partnership

VALENCIA COUNTY
TINA GALLEGOS, CLERK
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1 of 2
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BY HDELEON

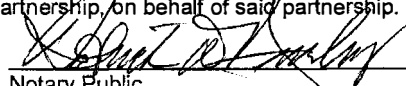
By: John L. Huning
John L. Huning
General Partner

By: Louis F. Huning
Louis F. Huning
As Personal Representative of the Estate of
Fred D. Huning, Deceased, General Partner

ACKNOWLEDGMENT

State of New Mexico
County of Bernalillo

This instrument was acknowledged before me on this 7 day of November 2006, by John L. Huning, as General Partner, and Louis F. Huning, as Personal Representative of the Estate of Fred D. Huning, Deceased, General Partner, of Huning Limited Partnership, a New Mexico limited partnership, on behalf of said partnership.



Notary Public

Commission expiration: 9/29/08



AMENDED AND RESTATED
SUPPLEMENTAL DECLARATION TO THE MASTER COVENANTS,
CONDITIONS AND RESTRICTIONS FOR HUNING RANCH
PERTAINING TO JUBILEE AT LOS LUNAS SUBDIVISION

An Active Adult Planned Community

THIS AMENDED AND RESTATED SUPPLEMENTAL DECLARATION TO THE MASTER COVENANTS, CONDITIONS AND RESTRICTIONS FOR HUNING RANCH PERTAINING TO JUBILEE AT LOS LUNAS SUBDIVISION (the "Declaration") is made by Jenamar Jubilee, Inc., a Washington corporation (the "Declarant").

1. Recitals.

A. Declarant owns the real property described on the attached Exhibit "A" (the "Property").

B. Declarant wishes to create a subdivision as an age-restricted residential community known as Jubilee at Los Lunas on the Property and on such other Additional Property as may be added to the Properties pursuant to the terms and provisions of this Declaration.

C. The Jubilee at Los Lunas subdivision is located within the master-planned community known as Huning Ranch and is subject to the Master Declaration of Covenants, Conditions, Restrictions and Easements for Huning Ranch, recorded at Book 356, Page 3303, Real Property Records of Valencia County, New Mexico, on June 10, 2004, as amended by an Amendment to the Master Declaration of Covenants, Conditions, and Restrictions for Huning Ranch recorded at Book 359, Page 4187, Real Property Records of Valencia County, New Mexico, on March 8, 2005 (collectively, the "Master Declaration").

D. In accordance with Article VIII, Section 12, of the Master Declaration, a Supplemental Declaration to the Master Declaration of Covenants, Conditions, and Restrictions for Huning Ranch Pertaining to the Jubilee at Los Lunas Subdivision was recorded at Book 360, Page 14036, Real Property Records of Valencia County, New Mexico, on July 19, 2006 (the "Supplemental Declaration").

E. Pursuant to Section 2 of the Supplemental Declaration, this Declaration amends and restates the Supplemental Declaration, and, only as to the Properties, this Declaration supplements and amends the Master Declaration as to the Properties only and not as to any other real estate subject to the Master Declaration.

2. Declaration. Capitalized terms have the meanings given in "Definitions" below.

A. Declarant declares that the Properties will be held, sold, disposed and conveyed subject to the restrictions, covenants and conditions contained in this Declaration, which will be deemed to be covenants running with the land and imposed

on and intended to benefit and burden each Lot and other portions of the Properties for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties. Such covenants will be binding on all parties having any right, title or interest to any part of the Properties and their heirs, personal representatives, successors and assigns, and will inure to the benefit of each Owner. Likewise the rights and obligations established by the Articles of Incorporation, Bylaws, Design Guidelines and any Rules will be deemed to be covenants running with the land and will inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Lot or any ownership interest in the Lot, the Person to whom such Lot or interest is conveyed will be deemed to accept and agree to be bound by and subject to all of the provisions of the Declaration, Articles of Incorporation, Bylaws, Design Guidelines and any Rules, all as amended from time to time.

B. This Declaration restates, modifies and amends the Supplemental Declaration and supplements and amends the Master Declaration as to the Properties only, and not as to any other real property that is subject to the Master Declaration.

C. This Declaration will restrict the Occupancy of Residences within Jubilee at Los Lunas to Qualifying Residents and Qualified Occupants. By adhering to the Occupancy age restrictions, Declarant also intends for Jubilee at Los Lunas to constitute housing for older Persons under the terms and conditions of the Federal Fair Housing Act Amendments of 1988 and the Housing for Older Persons Act of 1995 and applicable regulations under both statutes.

D. It is also the intention of Declarant to convey to the Association the Common Areas located within the Properties to be owned and maintained by the Association and reserved exclusively for the use and enjoyment of the Members of the Association, their Tenants, guests and invitees, subject to the terms and conditions of this Declaration and the other Governing Documents.

3. Definitions.

A. "Additional Property" means the real estate that Declarant has the right, but not the obligation, to subject to the restrictions contained in this Declaration pursuant to Section 13 of this Declaration.

B. "Articles of Incorporation" means the Association's Articles of Incorporation, filed with the New Mexico Public Regulation Commission, as they may be amended from time to time.

C. "Assessment" means any Benefited, Regular, Special or Working Capital Assessment made or assessed by the Association against an Owner and his or her Lot in accordance with Section 4 of this Declaration.

D. "Association" means Jubilee at Los Lunas Homeowners Association Inc., a New Mexico nonprofit corporation, established for the purposes set

forth in this Declaration, and its successors and assigns. The Association is a "Subassociation" as defined in the Master Declaration.

E. "Benefited Assessments" means the Lot-specific assessments described in Subsection 4F of this Declaration.

F. "Board of Directors" means the body responsible for the Association's general governance and administration, selected as provided in the Bylaws.

G. "Builder" means any Person who acquires Lots from Declarant for the purpose of developing, improving and then reselling those Lots to the public.

H. "Bylaws" means Association's bylaws, as they may be amended from time to time.

I. "Class A Member(s)" means all Owners, with the exception of Declarant.

J. "Class B Control Period" means the period during which the Class B Member is entitled to appoint a majority of the members of the Board of Directors, as provided in the Bylaws.

K. "Class B Member(s)" means Declarant.

L. "Code" means the United States Internal Revenue Code.

M. "Common Areas" means all real property owned, controlled or maintained by the Association for the common use and enjoyment of the Owners, all real property designated as Common Area by Declarant from time to time, and areas designated as "Common Area Parcels" or "Private Streets" on the Plat.

N. "Common Expenses" means the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board of Directors may find necessary and appropriate pursuant to this Declaration, the Bylaws and the Articles of Incorporation.

O. "Common Facilities" means the Recreation Facilities, and the trees, hedges, plantings, lawns, shrubs, entry gate(s) (and their related systems), private streets and drives, pedestrian paths, landscaping, fences, walls, utilities, berms, pipes, lines, lighting fixtures, buildings, structures and other facilities constructed or installed, or to be constructed or installed, or currently located within the Common Areas and owned by the Association.

P. "Common Maintenance Areas" means those Common Areas that the Association will maintain, in accordance with the Community-Wide Standard, which will include, but not be limited to: (a) all portions of the Common Areas; (b) landscaping

within public rights-of-way within or abutting the Community; (c) such portions of any Additional Property as may be dictated by Declarant, this Declaration, the Plat, or any contract, covenant, or agreement for maintenance entered into by, or for the benefit of, the Association; and, (d) any ponds, streams, and/or wetlands located within the Community that serve as part of the Community's stormwater drainage system, including associated improvements and equipment.

Q. "Community" means the Jubilee at Los Lunas subdivision.

R. "Community-Wide Standard" means the standard of conduct, maintenance or other activity generally prevailing in the Community or the minimum standards established pursuant to the Use Restrictions and Board of Directors resolutions, whichever is the strictest standard. Declarant may initially establish such Community-Wide Standard, which may be more specifically defined in the Use Restrictions, Design Guidelines and Board of Directors resolutions, and any subsequent amendments to the standard will meet or exceed the standards set during Class B Control Period. The Community-Wide Standard may contain both objective and subjective elements and may or may not be in writing. The Community-Wide Standard may evolve as development progresses and as the needs, desires and demands within the Community change. The Community-Wide standard is the highest of the minimum standards for the Use Restrictions, Design Guidelines, Board of Directors resolutions and examples set by Declarant, Board of Directors or the then currently prevailing standards.

S. "DRC" means the committee created in accordance with Section 6 of this Declaration.

T. "Design Guidelines" means the guidelines, if any, adopted by the DRC pursuant to Subsection 6A of this Declaration.

U. "Directors" means members of the Board of Directors.

V. "Governing Documents" means the Declaration, Bylaws, Articles of Incorporation, Design Guidelines and Rules, as the same may be in effect from time to time.

W. "Improvement" means, without limitation, any improvement or project undertaken or contemplated by an Owner (other than a Declarant) within any portion of the Properties involving the construction, installation, alteration or remodeling of any Residence, structures, garages, outbuildings, walls, fences, swimming pools, landscaping, landscape structures, spas, antennas, television reception equipment, utility lines or any other structure of any kind. Improvement projects are subject to design review and approval pursuant to Section 6 of this Declaration.

X. "Initial Use Restrictions" means the Use Restrictions set forth in Section 11 of this Declaration, which will apply to all of the Properties until such time as they are amended, modified, repealed, or limited.

Y. "Lot" means any of the plots of land indicated upon the Plat or any part of such plots creating single-family home sites, but only if the lot has in place an infrastructure (including utilities and streets) necessary to allow construction of a single-family home. When appropriate within the context of the Governing Documents, the term "Lot" will also include the Residence and other Improvements constructed or to be constructed on a Lot. Common Areas, Common Facilities and areas deeded to a governmental authority or utility will not be included as part of the definition of a Lot.

Z. "Master Association" means the Huning Ranch Owners' Association, Inc., a New Mexico nonprofit corporation.

AA. "Member" means a member of the Association by virtue of being Declarant or any other Owner of a Lot.

BB. "Occupy," "Occupies" or "Occupancy" means, unless otherwise specified in this Declaration or the other governing documents of the Association, staying overnight in a particular Residence for at least sixty (60) days in any given calendar year. The term "Occupant" will refer to an individual who Occupies a Residence.

CC. "Owner" means one or more Persons who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a recorded real estate contract, the purchaser will be considered the Owner. Despite any language to the contrary, however, Declarant (and not the fee title holder) will be deemed to be the "Owner" of each Lot or parcel with respect to which fee title is held by a Declarant affiliate or by a trustee (other than the trustee of a deed of trust) for the benefit of Declarant or a Declarant affiliate. Where reference is made in this Declaration to Lots or parcels "owned by" a Person, such phrase will be deemed to refer to Lots or parcels of which that Person is the Owner as determined pursuant to this definition.

DD. "Party Structure" means a wall, fence, driveway or similar structure as described in Subsection 11EE of this Declaration.

EE. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

FF. "Plat" means all plats of the Properties recorded in the real estate records to cause the subdivision of the Properties into Lots and Common Areas and to grant such easements and make such dedications as Declarant determines appropriate, including, but not limited to, the Plat of Jubilee Subdivision-Phase One Lots 1 thru 139, Lots 172 thru 186, Parcels A, B, D, E, H, I, J and K and Tract 5-A (being a Replat of Tract 5, Lands of Huning Limited Partnership) situate within the San Clemente Grant in projected Section 24, Township 7 North, Range 1 East New Mexico Principal Meridian, recorded on November 1, 2006, in Book 360, at Page 21536.

GG. "Properties" means the Property and any Additional Property that is subjected to this Declaration in accordance with Section 13 of this Declaration.

HH. "Qualified Occupant" means any of the following Persons who Occupy a Residence: (a) any Qualifying Resident; (b) any individual nineteen (19) years of age or older who Occupies a Residence with a Qualifying Resident; or (c) any individual nineteen (19) years of age or older who Occupied a Residence with a Qualifying Resident and who continues, without interruption, to Occupy the same Residence after termination of the Occupancy of said Qualifying Resident due to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage to, the Qualifying Resident so long as the individual described in this clause (c) does not permit another person who is not a Qualified Occupant to Occupy the same Residence.

II. "Qualifying Resident" means an individual fifty-five (55) years of age or older.

JJ. "Recreational Facilities" means the Villa and all real and personal property owned by the Association for the common recreational use and enjoyment of the Members. The Recreational Facilities are Common Facilities.

KK. "Regular Assessment" means an Assessment levied against an Owner and his or her Lot in accordance with Subsection 4D of this Declaration.

LL. "Reserve Funds" means the funds that are set aside by the Association to pay for the repair or replacement of Community assets for which the Association is responsible.

MM. "Residence" means any dwelling constructed on a Lot.

NN. "Resident" means:

(1) an Owner of a Lot actually residing in a Residence on the Lot;

(2) any individual who has executed an agreement to purchase any Lot and is actually residing in a Residence on the Lot (i.e., renting until the Residence is completed), regardless of whether the agreement is recorded, and each tenant or lessee of a Residence who actually resides in the Residence; and

(3) members of the immediate family of any individual described in this Subsection 3NN of this Declaration who are actually living in the same Residence with such individual;

provided, however, that at least eighty percent (80%) of the Occupied Residences within the Community must be Occupied by at least one Qualifying Resident.

OO. "Rules" means any rules and regulations established by the Board of Directors to supplement or complement the Articles of Incorporation, Bylaws, Design Guidelines or this Declaration.

PP. "Special Assessment" means an assessment levied by the Association for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Maintenance Area, including fixtures and personal property.

QQ. "Supplemental Declaration" means an instrument filed in the real estate records pursuant to Section 13 of this Declaration which subjects Additional Property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the Property or Additional Property described in the Supplemental Declaration.

RR. "Tenant" means a Person who has an agreement with an Owner to lease the Residence for a minimum of six (6) months, provided that the lease has been approved by the Board of Directors and provided to the Association, and provided that the lease will be subject to this Declaration.

SS. "Use Restrictions" means the use restrictions, rules and regulations, as amended, modified or limited, which govern the use of Properties and activities in accordance with Section 11 of this Declaration.

TT. "Villa" means the recreation center to be developed as part of the Properties.

UU. "Village" means the village of Los Lunas, New Mexico.

VV. "Visible from Neighboring Property" means, with respect to any given object, that the object is or would be visible to a six (6) foot-tall Person standing at ground level on any part of the neighboring property at an elevation no greater than the elevation of the base of the objection being viewed, except where the object is visible solely through a fence or wall and would not be visible if the fence or wall were a solid barrier.

WW. "Working Capital Assessment" means an assessment, equal to two (2) months' estimated Regular Assessment, due and payable upon conveyance of a Lot to a Class A Member.

4. Association.

A. Formation and Purpose. The Association is the entity responsible for management, maintenance, operation and control of the Common Areas. The Association also has primary responsibility for enforcing the Governing Documents, including but not limited to the authority to levy Assessments against Owners under this Declaration. Additionally, the Association has primary responsibility for enforcing the General Covenants and Restrictions contained in Article VI of the Master Declaration and, as to the Properties only, effective as of the recording of this Declaration, the Association will constitute the Architectural Control Committee under the Master Declaration. The Association will perform its functions in accordance with the Governing

Documents and New Mexico law and, as applicable, the Master Declaration. To the extent formation of the Association and the Association's establishment as the Architectural Control Committee under the Master Declaration, as to the Properties, conflict with the Master Declaration, the Master Declaration is amended.

B. Membership. Declarant and every Owner of a Lot by virtue of ownership of such Lot will be a member of the Association. Membership will be appurtenant to and will not be separated from ownership of any Lot. There will be two (2) classes of membership: Class A and Class B, being more particularly described in Subsection 4N of this Declaration.

C. Master Association. Each Lot will be subject to Assessments by the Master Association in accordance with the Master Declaration and the bylaws of the Master Association. The Assessments imposed under the Master Declaration and bylaws of the Master Association are in addition to the Assessments imposed under this Declaration and the Bylaws of the Association.

D. Regular Assessment or Charge. Each Lot will also be subject to Assessments in accordance with this Declaration and the Bylaws of the Association. No Assessments levied or collected by the Association will be required to be separately accounted for by the Master Association.

(1) Regular Assessment Rate. Subject to the terms of this Section 4, each Lot is subject to an initial Regular Assessment charge as provided in this Subsection 4D of this Declaration. The Regular Assessment charge will be fixed at a uniform rate for all Lots. The rate at which each Lot will be assessed, and whether such Assessment will be payable monthly, quarterly or annually, will be determined by the Board of Directors at least thirty (30) days in advance of each assessment period. Said rate may be adjusted as provided by the Board of Directors subject to the provisions of this Declaration and the Bylaws.

(2) Increases in Regular Assessments. From and after January 1 of the year immediately following the conveyance of the first Lot to a Class A Member, the Regular Assessment may be increased each year up to twenty percent (20%) above the Regular Assessment for the previous year without a vote of the Members. This increase in the Regular Assessment does not mean that the Board of Directors will or must increase the Regular Assessment to the maximum level when it sets the Regular Assessment. From and after January 1 of the year immediately following the conveyance of the first Lot to a Class A Member, the Regular Assessment may be increased more than twenty percent (20%) above the prior year's Regular Assessment by an affirmative vote of sixty-seven percent (67%) of each class of Members who are voting in Person or by proxy at a meeting called for this purpose in accordance with the Bylaws.

(3) Certificate of Assessment Status. Upon written request from an Owner, mortgagee or other Person designated by the Owner, the Association will furnish a statement setting forth the amount of any unpaid Assessment against such

Owner's Lot. The Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

(4) Purposes of Assessment Fund. The Association will establish an assessment fund composed of Regular Assessments and will use the proceeds of such fund in providing for normal, recurring expenses related to the Common Maintenance Areas or that are set forth in the Association's budget. Such uses and benefits to be provided by the Association may include, by way of clarification and not limitation, any and all of the following: (a) normal, recurring maintenance of the Common Maintenance Areas (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking and otherwise caring for landscaping), and the improvements to such Common Maintenance Areas, such as sprinkler systems, provided that the Association will have no obligation (except as expressly provided in this Declaration) to make capital improvements to the Common Maintenance Areas; (b) perpetual maintenance and enhancement for streets, curbs and gutters, gates, fences, columns, signage, walls, grounds, landscaping, lights, fountains and entry monuments; (c) payment of all legal and other expenses incurred, including noncompliance fines, in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the Properties to which the Regular Assessment fund applies; (d) payment of all reasonable and necessary expenses in connection with the collection and administration of the Regular Assessment; (e) employment of security guards, if any; and (f) doing any other thing or things necessary or desirable in the opinion of the Board of Directors to keep the Properties neat and in good order, or which is considered of general benefit to the Owners or Occupants of the Properties, it being understood that the judgment of the Board of Directors in the expenditure of said funds and the determination of what constitutes normal, recurring maintenance will be final and conclusive so long as such judgment is exercised in good faith. The Association will, in addition, establish and maintain an adequate Reserve Fund for the periodic maintenance, repair and replacement of improvements to the Common Maintenance Areas. The fund will be established and maintained out of Regular Assessments.

E. Working Capital Assessment and Special Assessments for Nonrecurring Maintenance and Capital Improvements. In addition to the Regular Assessments authorized above, the Association may levy Working Capital and Special Assessments as follows:

(1) Upon sale of the first Lot, and all Lots thereafter, to a Class A Member, a Working Capital Assessment equal to one quarter (1/4) of the regular Assessment will be due and payable upon conveyance of the Lot to a Class A Member; provided, however, that the Working Capital Assessment for a Lot upon which a model home is constructed will not be due and payable until the model home Lot is conveyed to a Person other than the Declarant or Person who is a shareholder or related entity of Declarant. The aggregate fund established by such Working Capital Assessment will be maintained in a segregated account, and will be available for all necessary expenditures of the Association.

(2) In addition to other authorized Assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment will require the affirmative vote or written consent of Class A Members representing at least sixty-seven percent (67%) of the total member votes, and the affirmative vote or written consent of the Class B Member, if such exists. Special Assessments will be payable in such manner and at such times as determined by the Board of Directors, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Written notice of a meeting called to approve such Special Assessment will be sent to each Member within the time period specified in the Bylaws.

F. Benefited Assessments. The Association will have the power to levy Benefited Assessments against any Lot as follows:

(1) to cover the costs, including overhead and administrative costs, of providing services to Lots upon request of an Owner pursuant to any menu of special services that may be offered by the Association. Benefited Assessments for special services may be levied in advance of the provisions of the requested service;

(2) to cover costs incurred in bringing the Lot into compliance with the Governing Documents or costs incurred as a consequence of the conduct of the Owner or Occupants of the Lot, their agents, contractors, employees, licenses, invitees, or guests; provided, the Association will give the Owner prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any Benefited Assessment under this Subsection 4F. If the Association incurs costs in bringing a Lot into compliance with the General Covenants and Restrictions contained in Article VI of the Master Declaration, such costs will also be subject to payment by Benefited Assessments; and

(3) to levy fines and/or penalties against the Owner or Occupants of a Lot other than Declarant for violation of the provisions of this Declaration.

G. Budgeting for Reserves. The Board of Directors will prepare and review periodically a reserve budget for the Common Areas and Common Facilities. Such budgets will take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. If the Board of Directors elects, in the exercise of its business judgment, to fund reserves, it will include in the Common Expense budget a capital contribution to fund reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period. So long as the Board of Directors exercises business judgment in determining the adequate amount of reserves, the amount of the Reserve Funds, if any, will be considered adequate.

The Board of Directors may adopt resolutions regarding the expenditure of any Reserve Funds, including policies designating the nature of assets for which Reserve Funds may be expended. So long as Declarant owns any of the Properties, neither the Association nor the Board of Directors will adopt, modify, limit or expand such policies without Declarant's prior written consent.

The Board of Directors may enter into agreements with Declarant on negotiated terms, or Declarant may obligate itself to provide Reserve Funds as needed on a "cash basis" in lieu of the Association funding reserves on an accrual basis.

H. Obligation for Assessments.

(1) Subject to the terms of this Section 4, Declarant for each Lot owned within the Properties covenants, and each Owner is deemed to covenant and agree to pay to the Association the Assessments, such Assessments to be established and collected as provided in this Declaration. Such Assessments will remain effective for the full term (and extended term, if applicable) of this Declaration. The Assessments together with interest, costs, collection costs and reasonable attorneys' fees, will be a charge on the land and will be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with interest, costs, collection costs and reasonable attorneys' fees, will also be the personal obligation of the Person who was the Owner of such property at the time when the Assessment fell due. The personal obligation for delinquent Assessments will not pass to the successors in title of such Owner unless expressly assumed by them in writing, although the lien of such Assessments will be a continuing lien upon the Lot.

(2) Notwithstanding anything seemingly to the contrary in this Declaration, Declarant will not be liable for Assessments on any of the Properties until Declarant releases a Lot or group of Lots for sale, in which case Declarant will be liable for Assessments only as to the Lot or Lots released for sale and owned by Declarant.

(3) The Board of Directors' failure to fix Assessment amounts or rates or to deliver or mail each Owner an assessment notice will not be deemed a waiver, modification or a release of any Owner from the obligation to pay Assessments. In such event, each Owner will continue to pay Regular Assessments on the same basis as during the last year for which an Assessment was made, if any, until a new Assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

(4) No Owner may exempt itself from liability for Assessments by non-use of Common Areas, abandonment of its Lot, non-use of Common Facilities or other property operated or maintained by the Association, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off will be claimed or allowed for any alleged failure of the Association and Board of Directors to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

I. Declarant's Option to Pay Shortage. If, after payment of annual Assessments by the Owners, including Declarant, a shortage exists, Declarant may, but will not be obligated to, pay such shortage.

J. Subsidies/"In Kind" Contribution. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with Declarant or other entities for payment of Common Expenses. Declarant's payment of Assessments may be reduced or abated by the agreed value of any such services or materials provided by Declarant, in accordance with any such contract or agreement with the Association.

K. Lien for Assessments.

(1) All Assessments and other charges of the Association authorized in this Section or elsewhere in this Declaration will constitute a lien against the Lot against which they are levied from the time such Assessments or charges become due until paid. The lien will also secure payment of interest, transfer fees, late charges and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien will be co-equal to any liens arising by virtue of the Master Declaration and superior to all other liens, except any lien or charge of any recorded first mortgage (meaning any recorded mortgage with the first priority over other mortgages) made in good faith and for value, and those liens deemed by New Mexico law to be superior. The Association may enforce such lien, when any Assessment or other charge is delinquent, by suit for damages and/or foreclosure; provided, if enforcement proceedings are not instituted within five (5) years after the full amount of the Assessment or other charge becomes due, the lien (but not the personal obligation of the subject Owner) will be deemed extinguished.

(2) The Association will have the right to file notices of liens in favor of such Association in the real property records of Valencia County, New Mexico.

(3) The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote will be exercised on the Lot's behalf; (b) no Assessment will be levied on the Lot; and (c) each other Lot will be charged, in addition to its usual Assessment, its *pro rata* share of the Assessment that would have been charged such Lot had the Lot not been acquired by the Association. The Association may sue for unpaid Assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

(4) Sale or transfer of any Lot will not affect the Assessment lien or relieve such Lot from the lien for any subsequent Assessments. However, sale or transfer of any Lot pursuant to foreclosure of the first mortgage will extinguish the lien as to any installments of such Assessments due before the foreclosure. The subsequent Owner to the foreclosed Lot will not be personally liable for Assessments on such Lot due before such acquisition of title. Such unpaid Assessments will be deemed

to be Common Expenses collectible from Owners of all Lots subject to Assessment hereunder, including such acquirer, its successors and assigns.

L. Non-Payment of Assessments; Remedies of the Association. Any Assessment not paid within ten (10) days after the due date will bear interest from the due date at the rate described below. The Association will have the authority to impose late charges of twenty-five dollars (\$25.00) or an amount approved by the Board of Directors to compensate for the administrative and processing costs of late payments on such terms as it may establish by adopted resolutions. Such late charges will be subject to the Association's lien for Assessments and subject to all other rights of the Association for the collection of such assessments, as more fully provided in this Declaration.

M. Exempt Properties. The following property will be exempt from payment of Assessments:

- (1) All Common Areas and such portions of the Common Maintenance Areas that are not Lots; and
- (2) Any property dedicated to and accepted by any governmental authority or public utility.

In addition, both Declarant and the Association will have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax-exempt status under Section 501(c) of the Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c) of the Code.

N. The Association will have two classes of voting membership:

(1) Class A. Class A Members will be entitled to one (1) vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Persons will be Members, but only one (1) vote may be cast with respect to any Lot.

(2) Class B. Declarant, or Class B Member, will be entitled to three (3) votes for each Lot that it owns.

(3) Exercise of Voting Rights. If there is more than one Owner of a Lot, the vote for such Lot will be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice and in the event that more than one such co-Owner casts a vote, the Lot's vote will be suspended and will not be included in the final vote tally on the matter being voted upon.

O. Declarant Appointment Right. Declarant will have the right during the Class B Control Period to appoint and remove Directors in Declarant's sole and absolute discretion as provided in Subsection 3C of the Bylaws.

P. Relationship with Governmental and Tax-Exempt Organizations.

The Association may enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Areas to, state or local governments, public utility providers, and non-profit, tax-exempt organizations for the benefit of the Community, the Association and the Members. The Association may contribute or receive money, real property (including Common Areas), personal property or services to or from any such entity. Any such contribution or receipt will be a common revenue or expense and included as a line item in the Association's annual budget.

For the purposes of this Section, a "tax-exempt organization" will mean an entity that is exempt from federal income taxes under the Code, such as, but not limited to, entities that are exempt from federal income taxes under Section 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

Q. Duties, Power and Authority of the Association.

(1) Power and Authority. The Association will have all of the powers set forth in its Articles of Incorporation, together with its general powers as a non-profit corporation, and will have the power and authority to do any and all things that are authorized, required or permitted under and by virtue of this Declaration and to do and perform any and all acts that may be necessary or proper for or incidental to the exercise of any powers of the Association for the peace, health, comfort, safety and general welfare of the Owners of Lots within the Community, including but not limited to:

(a) To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

(b) To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners.

(c) To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

(d) To protect or defend the Common Areas and Common Facilities from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

(e) To make reasonable Rules for the operation of the Common Areas and the Common Facilities and to amend them from time to time.

(f) To make available for inspection by Owners within sixty (60) days after the end of each fiscal year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

(g) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to

repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

(h) To enforce the provisions of any rules made under this Declaration or the General Covenants and Restrictions contained in Article VI of the Master Declaration, and to enjoin and seek damages from any Owner for violation of such provisions or rules. After notice and opportunity to be heard, the Association acting through the Board of Directors or any authorized agent, may impose monetary fines for violations of the Governing Documents, such fines will be subject to the Association's lien for Assessments and subject to all other rights of the Association for the collection of such Assessments, as more fully provided in this Declaration.

(i) To collect all Assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

(j) To exercise any right or privilege given to it expressly, or by reasonable implication, by the Governing Documents or, as applicable, the Master Declaration, or take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, the Master Declaration or by law, the Board of Directors may exercise the Association's rights and powers without a vote of the membership. The Board of Directors may institute, defend, settle or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation or administrative proceedings in matters pertaining to the Common Areas, the Common Facilities, enforcement of the Governing Documents or Master Declaration, or any other civil claim or action. However, neither the Governing Documents nor the Master Declaration will be construed as creating any independent legal duty to institute any legal or other action or proceeding on behalf of or in the name of the Association or the Members.

(2) Act Through Directors, Officers and Agents. The business and affairs of the Association will be conducted by its Board of Directors, and the Association will act by its Board of Directors, officers and agents.

(3) Management Agent. The Association may employ the services of a professional Person or management firm to manage the Association or any separate portion of the Association to the extent deemed advisable by the Board of Directors (provided that any contract for management of the Association will be terminable by the Association, with no penalty, upon no more than ninety (90) days' prior written notice to the managing party), and the services of such other personnel as the Board of Directors will determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Association or by the manager.

(4) Maintenance Contracts. The Association will have full power and authority to contract with any Owner or other Person or entity for the performance by the Association of services that the Association is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and

for such consideration as the Board of Directors of the Association may deem proper, advisable and in the best interest of the Association.

(5) Maintenance Duties. The Association is specifically charged with the duty of maintaining the Common Areas including the Common Facilities within the Community, if any. The Association will assess property owners for the cost of maintaining the Common Areas and the Common Facilities, as set forth in this Declaration.

(6) Insurance. The Association will obtain a policy or policies of insurance insuring the Association and/or its Board of Directors and officers against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors, including a policy or policies of insurance as provided in this Declaration, workers' compensation insurance to the extent necessary to comply with any applicable laws, and such fidelity bonds as may be required by the Bylaws or as the Board of Directors may determine to be advisable.

5. Title to Common Areas and Insurance

A. Association to Hold. Declarant will convey fee simple title to the Common Areas and Common Facilities to the Association, free of all encumbrances and liens, with the exception of current real property taxes (which will be prorated as of the date of such conveyance) and any easements, conditions and reservations then of record, including those set forth in this Declaration. Nothing contained in this Declaration will create an obligation on the part of Declarant to establish any Common Areas or Common Facilities.

B. Rights of Owners in Common Areas. The interest of each Owner in and to the use and benefit of the Common Areas and the Common Facilities will be appurtenant to the Lot owned by the Owner and will not be sold, conveyed or otherwise transferred by the Owner separately from the ownership interest in the Lot. Any sale, transfer or conveyance of such Lot will transfer the appurtenant right to use and enjoy the Common Areas and Common Facilities. There will be no judicial partition of the Common Areas, the Common Facilities or any part thereof, and each Owner, whether by deed, gift, devise or operation of law for his or her own benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interest and causes of action for a judicial partition of any ownership interest in the Common Areas and Common Facilities and does further covenant that no action for judicial partition will be instituted, prosecuted or reduced to judgment.

C. Liability Insurance. From and after the date on which title to any Common Areas or Common Facility vests in the Association, the Association will purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its Members, covering occurrences on the Common Areas including the Common Facilities or the Common Maintenance Area (if desired by the Board of Directors). The policy limits will be as determined by the Board of

Directors. Any proceeds of insurance policies owned by the Association will be received, held in a segregated account and distributed to the Association's general operating account, Members, Directors, the management company and other insureds, as their interests may be determined.

(1) Required Coverages. The Association, acting through its Board of Directors or its authorized agent, will obtain and continue in effect the following types of insurance, if reasonably available, or, if not, the most nearly equivalent coverages as are reasonably available:

(a) Blanket property insurance covering "all risks of direct physical loss" on a "causes of loss – special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Areas including the Common Facilities and within other portions of the Common Areas to the extent that the Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "causes of loss – broad form" (specified perils) coverage may be substituted. All Association property insurance policies will have policy limits sufficient to cover the full replacement cost of the insured property under current building ordinances and codes;

(b) Commercial general liability insurance on the Common Areas including the Common Facilities, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees or agents while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) will have a limit of at least \$2,000,000.00 combined single limit per occurrence and in the aggregate with respect to bodily injury, personal injury, and property damage;

(c) With respect to any contractors working on the premises or any third parties holding events on the premises, all such individuals will be required to carry sufficient similar commercial general liability insurance with minimum limits of \$1,000,000.00 combined single limit per occurrence and in the aggregate. The commercial general liability policy will also be endorsed to include Declarant, its subsidiaries and affiliates and their respective Directors, officers, employees, and agents as additional insureds with respect to any claims, losses, expenses or other costs arising out of any work performed for the Association;

(d) Certificates of insurance evidencing the minimum coverage required in this Declaration by any parties described above (other than the Association) will be filed with the Association at the time of execution of any Agreement for services or events conducted on the premises and will be maintained in a current status throughout the term of any such Agreement. Such certificates of insurance will require the insurer(s) to provide not less than thirty (30) days' advance written notice to the Association in the event of any cancellation, non-renewal or material (greater than twenty percent (20%) reduction) change in the policy limits, terms or conditions. Such third parties will maintain all of their insurance and at the requested levels described

above for not less than five (5) years after the expiration or termination of any agreement with the Association;

(e) Statutory workers' compensation and employer's liability insurance in the amount of the State of New Mexico's statutory limits to cover all employees engaged in the services;

(f) Automobile liability insurance for all owned, non-owned and hired vehicles with a minimum limit of \$1,000,000.00 combined single limit per accident;

(g) Directors and officers liability coverage; and

(h) Commercial crime insurance covering all Persons, including Persons serving without compensation, responsible for handling Association funds in an amount determined in the Board of Directors' business judgment but not less than an amount equal to twenty-five percent (25%) of the annual Regular Assessments on all Lots plus reserves on hand.

Insurance obtained for the Association is not meant to replace any individual's personal liability or property insurance, and it is strongly suggested that each Member carry his or her own personal coverage.

The Association may arrange for an annual review to determine the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Village area.

The Board of Directors, in the exercise of its business judgment, may obtain additional insurance coverage and higher limits. Premiums for insurance on the Common Areas including the Common Facilities will be Common Expenses.

(2) Policy Requirements.

(a) All Association policies will provide for a certificate of insurance to be furnished to the Association and, upon request, copies of the Association certificate, to each Member insured. Declarant reserves the right to self-insure, or provide insurance under Declarant's policy, provided that the cost to replace the insurance when such coverage terminates will be disclosed to the Membership as a footnote to the Budget;

(b) The policies may contain a reasonable deductible that will not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of this Section. In the event of an insured loss, the deductible will be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board of Directors reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or Tenants, then the Board of Directors may assess the full

amount of such deductible against such Owner(s) and their Lots as a Benefited Assessment;

(c) All insurance coverage obtained by the Board of Directors will:

(i) be written with a company authorized and licensed to do business in New Mexico;

(ii) be maintained with insurers rated B+ or better in the most current edition of Best's Insurance Reports;

(iii) be written in the name of the Association as trustee for the benefited parties;

(iv) not be brought into contribution with insurance purchased by individual Owners, their mortgagees or any Occupants of a Lot;

(v) contain an inflation guard endorsement;

(vi) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(vii) provide that each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Common Areas and Common Facilities as a Member in the Association (provided, this provision will not be construed as giving an Owner any interest in the Common Areas and Common Facilities other than that of a Member); and

(viii) include an endorsement precluding cancellation, invalidation, suspension, non-renewal or condition to recovery on account of any act or omission of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(d) In addition, the Board of Directors will use reasonable efforts to secure insurance policies that include:

(i) cross-liability endorsements or other appropriate provisions for the benefit of Members, the Directors and the management company retained by the Association (if any), insuring each against liability to each other insured as well as third parties.

(ii) a waiver of subrogation as to any claims against the Association's Board of Directors, officers, employees, and its manager, the Owners and their Tenants, servants, agents, and guests;

(iii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iv) an endorsement requiring at least thirty (30) days' written notice to the Association of any cancellation, substantial modification, or non-renewal; and

(v) a provision vesting in the Board of Directors or their authorized representative, which will be Declarant so long as Declarant's policy provides the Association coverage, exclusive authority to adjust losses; provided, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(3) Restoring Damaged Improvements.

(a) In the event of damage to or destruction of Common Areas including Common Facilities or other property that the Association is obligated to insure, the Board of Directors or its authorized agent will file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the same condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

(b) Damaged improvements on the Common Areas including the Common Facilities will be repaired or reconstructed unless the Members representing at least sixty-seven percent (67%) of the total votes in the Association and Declarant, if any, decide within sixty (60) days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such sixty (60) day period, then the period will be extended for up to sixty (60) additional days until such funds or information are available. No mortgagees will have the right to participate in the determination of whether the damage or destruction to the Common Areas or Common Facilities will be repaired or reconstructed.

(c) If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property will be cleared of all debris and ruins and thereafter will be maintained by the Association in a neat and attractive condition. The Association will retain any insurance proceeds remaining after paying the costs of repair or reconstruction, or after an agreed upon settlement, for the benefit of the Members, and will place such remaining proceeds in a capital improvements account. This is a covenant for the benefit of mortgagees and may be enforced by the mortgagee of any affected Lot.

(d) If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the applicable insurance coverage premiums.

D. Condemnation.

(1) In the event of condemnation or a sale in lieu of condemnation of all or any portion of the Common Areas including the Common Facilities, the funds payable with respect to such condemnation or sale will be payable to the Association and will be used by the Association to purchase additional Common Areas to replace that which has been condemned or to take whatever steps it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. In the event the Board of Directors determines that the funds cannot be used in such a manner due to the lack of available land for additional Common Areas or for whatever reason, any remaining funds may be distributed to each Owner on a *pro rata* basis.

(2) Whenever any part of the Common Areas is taken or sold under threat of condemnation by any authority having the power of eminent domain, the Board of Directors will determine, in the exercise of its business judgment, whether each Owner will be entitled to notice of such taking or conveyance. The Board of Directors may sell Common Areas under threat of condemnation only if Members representing at least sixty-seven percent (67%) of the total votes in the Association and Declarant, as long as Declarant owns any of the Properties, approve in writing.

(3) The award made for such taking or proceeds of such a sale will be payable to the Association as trustee for all Owners to be disbursed as follows:

(a) If the taking or sale involves a portion of the Common Areas on which improvements have been constructed, the Association will restore or replace such improvements on the remaining land included in the Common Areas to the extent practicable unless, within sixty (60) days after such taking, Declarant, so long as Declarant owns any of the Properties, and Members representing at least sixty-seven percent (67%) of the total votes in the Association otherwise agree. Any such construction will be in accordance with plans approved by the Board of Directors. The provisions of this Declaration regarding funds for the repair of damage or destruction will apply.

(b) If the taking or sale does not involve any improvements on the Common Areas, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds will be disbursed to the Association and used for such purposes as the Board of Directors determines.

(4) Except as permitted in this Declaration, the Common Areas will remain undivided, and no Person will bring any action for partition of any portion of the Common Areas without the written consent of all Owners and mortgagees. The Association may dedicate portions of the Common Areas to Valencia County, the Village, or to any other local, state or federal governmental or quasi-governmental entity, subject to such approval as may be required by this Section.

6. Design Review.

A. DRC. The DRC will be established consisting of three (3) Members appointed by the Board of Directors.

(1) The members of the DRC will be appointed, terminated and/or replaced by Declarant during the Class B Control Period. Thereafter, the members of the DRC will be appointed, terminated and/or replaced by the Board of Directors.

(2) The purpose of the DRC is to conduct all hearings and enforce or oversee the enforcement of the architectural standards of the Community and to approve or disapprove plans for Improvements proposed for the Lots.

(3) The DRC will act by simple majority vote, and will have the authority to delegate its duties or to retain the services of a professional engineer, architect, designer, inspector or other Person to assist in the performance of its duties.

(4) The DRC will require that every Residence be built in the Tuscan style, or otherwise as approved and deemed appropriate by the Committee. The DRC may, from time to time, adopt, amend and repeal guidelines to be known as "Design Guidelines." Where design standards established under the Master Declaration conflict with the Design Guidelines or other provisions of this Declaration, then, first, the provisions of this Declaration and, second, the Design Guidelines will control.

B. Scope of Review.

(1) No building, fence, wall, outbuilding, landscaping, pool, athletic facility or other structure or Improvement will be placed, erected, altered, added onto or repaired and no Improvements or other work (including staking, clearing, exaction, grading and other site work, exterior alterations, or planting or removal of landscaping) will take place within the Community, without the prior written consent of the DRC or the DRC's agent and except as in compliance with this Section 6.

(2) No approval will be required to repaint the exterior of a structure in accordance with its most recently approved color scheme or to rebuild in accordance with previously approved plans and specifications. Any Owner may remodel, paint or redecorate the interior of structures (including the Residence) on his or her Lot without approval.

(3) This Section will not apply to the activities of Declarant during the Class B Control Period.

C. Submission of Plans.

(1) Before commencing construction upon any Lot, the Owner (excluding Declarant) of the Lot will submit to the DRC a complete set of plans and

specifications for the proposed Improvements, including site plans, grading plans, landscape plans, specifications of materials and exterior colors, and any other information deemed necessary by the DRC for the performance of its function. In addition, the Owner will submit the identity of the individual or company intended to perform the work and projected commencement and completion dates.

(2) The DRC is authorized to charge a reasonable administrative fee for the review of plans and specifications. In addition, in its review of such plans, specifications and other materials and information, the DRC may require that the applicant(s) reimburse the DRC for the actual expenses incurred by the DRC in the review and approval process. Such amount, if any, will be levied in addition to the Assessments against the Lot for which the request for approval was made, but will be subject to the Association's lien for Assessments and subject to all other rights of the Association for the collection of such Assessments, as more fully provided in this Declaration. This Subsection applies equally to the Association's performance of the duties of the Architectural Control Committee under the Master Declaration.

D. Plan Review. Upon receipt by the DRC of all of the information required by this Subsection 6B, the DRC will have forty-five (45) days in which to review the information. The proposed Improvements will be approved if, in the sole and absolute opinion of the DRC: (a) the Improvements will be of an architectural style and material that conform to and harmonize with the existing surroundings and Improvements and with the other structures in the Properties; (b) the Improvements will not violate the Declaration, the Design Guidelines or any other applicable restriction or encroach upon any easement or platted setback lines; (c) the Improvements will not result in the reduction in property value, use or enjoyment of any of the Properties; (d) the individual or company intended to perform the work is acceptable to the DRC; and (e) the Improvements will be substantially completed, including all cleanup, within three (3) months of the date of commencement. If the DRC fails to issue its written approval within forty-five (45) days of its receipt of the last of the materials or documents required to complete the Owner's submission, such failure by the DRC to issue its written approval will be deemed disapproval of the proposed Improvements.

E. Provision for the Summary Approval of Minor Projects. The Design Guidelines can identify categories of Improvement projects or components of the plan review and approval process that can be administered by the Association staff or other designee of the DRC without the need for direct involvement by the DRC in order to expedite the processing of applications for approval. In the event that the DRC determines that certain project approvals or plan processing requirements can appropriately be administered by the Association staff or other DRC designee, such delegation and the scope thereof will be specified in the Guidelines.

F. Non-Conforming Structures. If there is a significant or material deviation from the approved plans in the completed Improvements, such Improvements will be in violation of this Section to the same extent as if erected without prior approval of the DRC. The DRC, the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful,

will recover from the Owner in violation all costs, including attorneys' fees, incurred in the prosecution thereof, and such costs will be subject to the Association's lien for Assessments and subject to all other rights of the Association for the collection of such assessments, as more fully provided in this Declaration.

G. Immunity of DRC Members. No individual member of the DRC or its appointed agent will have any personal liability to any Owner or any other Person for the acts or omissions of the DRC if such acts or omissions were committed in good faith and without malice. The Association will defend any action brought against the DRC or any member thereof arising from acts or omissions of the DRC committed in good faith and without malice.

H. Variations. The DRC may authorize variations from compliance with any of the architectural provisions of this Declaration, the Design Guidelines or any applicable restrictions, including restrictions upon height, bulk, size, shape, land area, placement of structures, setbacks, building envelopes, colors, materials, or similar restrictions when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations may, in the DRC's sole and absolute discretion, warrant. Such variations must be consistent with any and all applicable laws. Such variations must be evidenced in writing and must be signed by at least a majority of all of the members of the DRC. If such a variance is granted, no violation of the covenants, conditions, or restrictions contained in this Declaration, the Design Guidelines, the Master Declaration or any applicable restrictions will be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance will not operate to waive any provisions of this Declaration, the Design Guidelines, the Master Declaration or any applicable restrictions for any purpose except as to the particular provision and in the particular instance covered by the variance.

I. Notice of Completion. Upon completion of the Improvement, the applicant for approval of the same will give a written "Notice of Completion" to the DRC.

J. Address for Notice. Requests for DRC approval or correspondence with the DRC will be addressed to "Jubilee at Los Lunas Design Review Committee" and mailed or delivered to the following address:

c/o Jubilee at Los Lunas Homeowners Association Inc.
2309 Renard Place SE, Suite 120
Albuquerque, New Mexico 87106

Or such other address as may be designated from time to time by the DRC. No correspondence or request for approval will be deemed to have been received until actually received by the DRC in a form satisfactory to the DRC.

K. Inspection of Work. The DRC or its authorized representative will have the right to inspect any Improvement before or after completion in order to determine whether the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Section; provided,

however, that the right of inspection will terminate sixty (60) days after the DRC receives a Notice of Completion from the Applicant.

7. Easements.

A. Utility Easements. During the Class B Control Period, Declarant reserves the right to grant perpetual, non-exclusive easements for the benefit of Declarant or its designees upon, over, through and under any portion of the Common Areas for ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, cable television, telephone, gas and electric systems. Declarant, for itself and its designees, reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on or in such easements. After the end of the Class B Control Period, the Association will have the right to grant the easements described in this Subsection 7A.

B. Declarant's Easement to Correct Drainage. During the Class B Control Period, Declarant reserves for the benefit of Declarant a blanket easement on, over and under the ground within the Properties to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance, and will be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage facilities. Notwithstanding the foregoing, nothing in this Subsection 7B will be interpreted to impose any duty upon Declarant to correct or maintain any drainage facilities within the Properties.

C. Easement for Unintentional Encroachment. Declarant reserves for itself and for the Association an easement for the unintentional encroachment by any structure upon the Common Areas caused by or resulting from, construction, repair, shifting, settlement or movement of any portion of the Properties, which easement will exist at all times during the continuance of such encroachment.

D. Easement for Perimeter Fence or Wall and Sidewalk. Declarant reserves for the benefit of Declarant and the Association exclusive easements for a perimeter masonry and/or wrought iron fence and/or wall and, in some cases, a sidewalk running at the rear or sides of Lots alongside streets or other parcels of land adjacent to the neighborhood. These Lots will be sold subject to the easement described in this Section 7, and the easement will be coextensive with the footprint of the wall or fence and sidewalk. Additionally, the Owners of these Lots will be responsible for the maintenance of the interior portion of the wall or fence, including, but not limited to, control of the watering in the area upon which the wall or fence is situated to prevent shifting of the foundation of the wall or fence that could damage the wall or fence.

E. Entry Easement. If the Owner fails to maintain the Lot as required in this Declaration, or in the event of emergency, the Association will have the right to enter upon the Lot to make emergency repairs and to do other work reasonably

necessary for the proper maintenance and operation of the Properties. Entry upon the Lot as provided in this Subsection 7E will not be deemed a trespass, and the Association will not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

F. Wet Utility Easements. Easements for the installation and maintenance of utilities are reserved as may be shown on the recorded Plat. Within these easement areas, no structure, planting or other material will be placed or permitted to remain that may damage or interfere with the installation and maintenance of such utilities, or that may hinder or change the direction of flow of drainage channels or slopes in the easements. The easement area of each Lot and all Improvements contained in the easement area will be maintained continuously by the Owner of the Lot, except for those Improvements for which a public authority, utility company or the Association is responsible.

G. Temporary Construction Easement. All Lots will be subject to an easement of ingress and egress for the benefit of Declarant and Declarant's employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Properties as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon Lots adjacent to the Properties, provided that such easement will terminate twelve (12) months after the date such Lot is conveyed to the Owner by Declarant.

H. Easements to Serve Additional Property. Declarant reserves for itself and its authorized agents, successors, assigns and mortgagees an easement over the Common Areas for the purposes of enjoyment, use, access and development of land adjacent to the Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction of roads and for connecting and installing utilities on such Additional Property.

Declarant agrees that it and its successors or assigns will be responsible to repair any physical damage caused to the Common Areas as a result of their actions. Declarant further agrees that if the easement is exercised for permanent access to such Additional Property and such Additional Property or any portion thereof benefiting from such easement is not made subject to this Declaration, Declarant or Declarant's successors or assigns will enter into a reasonable agreement with the Association to share the cost of any maintenance that the Association provides to or along any roadway providing access to such Additional Property.

I. Easements for Maintenance, Emergency and Enforcement. Declarant grants to the Association the following easements:

(1) easements over the Properties as necessary to fulfill the maintenance responsibilities described in this Declaration. Such easements will include the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons; to perform maintenance; and to inspect for the purpose of ensuring

compliance with and enforcing the Governing Documents. The authorized agents and assignees of the Association and all emergency personnel in the performance of their duties may exercise such right.

(2) Easements and the right to enter any and all Lots to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition that violates the Governing Documents. All fines levied by the Association and costs incurred, including reasonable attorney fees, will be assessed against the violator as a Benefited Assessment.

J. Legal Effect. All easements in this Declaration described are easements appurtenant to and running with the land; they will at all times inure to the benefit of and be binding upon the undersigned, all of their grantees, and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

8. Special Declarant's Rights. Declarant and its agents will have the following rights and privileges, all of which, except as otherwise specifically provided, will terminate immediately upon the closing of the sale of the last Lot in the Properties to an Owner other than Declarant.

A. Easement for Repairs. A nonexclusive easement over all of the Properties for the purpose of making any repairs to Properties if access is otherwise not reasonably available, which right, privilege, and easement will not terminate until fifteen (15) years after the closing of the Sale of the last Lot in the Properties to an Owner other than Declarant.

B. Easement for Sales. A nonexclusive easement over Properties owned by the Association (which easement will extend to the sales agents, customers, prospective customers, guests and representatives of Declarant) for sales, display, access, ingress, egress, exhibits and other purposes deemed useful by Declarant and its agents in advertising and promoting the sale of Lots (including the erection of signs, flags and banners) until Declarant closes the sale of the last Lot in the Properties to an Owner other than Declarant. Notwithstanding the foregoing or anything to the contrary in this Declaration, Declarant reserves the right to continue to use one (1) or more Lots and the Residence(s) constructed thereon as model Lots and Residences for other communities developed by Declarant or its affiliates pursuant to sale-leaseback or other similar arrangements even after Declarant closes the sale of the last Lot in the Properties to an Owner other than Declarant, in which case the foregoing easement and rights respecting the Association's property will continue in full force and effect. In exercising the foregoing easement and rights, Declarant will not unreasonably interfere with the rights and enjoyment of the Owners.

C. Easement for Development. A nonexclusive easement over Properties owned by the Association (which easement will be in favor of Declarant and its agents, contractors and licensees) for access, ingress, egress and other purposes deemed useful by Declarant and its agents to the storage of materials and such other

use as may be reasonable, necessary or incidental to Declarant's development of the Properties, which right, privilege and easement will not terminate until fifteen (15) years after the closing of the Sale of the last Lot in the Properties to an Owner other than Declarant; provided, however, that no such rights or easements will be exercised in such a manner as to unreasonably interfere with the Occupancy, use, enjoyment, or access by any Owner.

D. Right to Lease. The right to lease any unsold Lot;

E. Limited Exemption from Age Restriction. Notwithstanding the age restrictions or other provisions of this Declaration, Declarant reserves the right to sell Lots to Persons between fifty (50) and fifty-five (55) years of age, inclusive, provided that such sales do not affect the Community's compliance with the applicable state and federal laws under which the Properties may be developed and operated as an age-restricted community.

9. Use and Occupancy. All Lots and Residences will be used and Occupied for single-family Residences. No Lot or Residence may be used for commercial, institutional or other non-residential purposes; provided, this prohibition will not apply to (i) "garage sales" conducted entirely on an Owner's Lot in accordance with guidelines (if any) established by the Association provided that no Owner will conduct more than one garage sale of no more than two (2) days' duration during any six (6) month period, or (ii) the use of any Residence by Declarant as a model home or sales office or (iii) the use of any Lot as a site for a selection center trailer, construction office trailer and/or sales office trailer and/or parking lot by Declarant or the activities described in Subsection 11K of this Declaration.

10. Property Rights.

A. Owners' Easements of Enjoyment. Every Owner will have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement will be appurtenant to and will pass with the title to every Lot, subject to the following provisions:

(1) The right of the Association to establish and publish Rules governing the use of the Common Areas including the Common Facilities affecting the welfare of Members.

(2) The right of the Association to charge reasonable admission and other fees or to limit the number of guests of Members who may use any Recreational Facilities. Notwithstanding the foregoing and so long as an Owner is current in the payment of all Assessments and other charges owing to the Association, for each Lot owned, each Owner who is either a Qualifying Resident or a Qualified Occupant will receive a membership card, up to a maximum of two (2) membership cards per Lot. In addition, the Association may provide for the issuance of Villa use privilege cards (in addition to the membership cards) for use by other Persons residing

in a Residence in accordance with the Occupancy restrictions imposed by Subsection 11QQ of this Declaration. The Association may impose a reasonable fee or charge for any additional Villa use privilege card issued to such Owner or Resident. In addition, the Association may at any time adopt a limit on the number of cards that may be issued for each Lot or on guest privilege cards, but no such action will affect previously issued cards. To be eligible to use the Villa, a Resident must either be a Qualifying Resident or a Qualified Occupant. The Villa may be used for incidental commercial activities so long as the Villa is limited to primarily serving Owners. Examples of "incidental commercial uses" include having the Villa operated as a "for profit" venture, leasing Recreational Facilities, leasing food service facilities, leasing craft or exercise facilities and leasing space for banquets or events.

(3) The right of the Association to suspend the right of use of the Common Areas including the Common Facilities and the voting rights of an Owner for any period during which any Assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published Rules.

(4) The right of the Association, subject to the provisions of this Declaration, to dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the Owners. No such dedication, sale or transfer will be effective without the consent of Members representing at least sixty-seven percent (67%) of the total votes in the Association, excluding Declarant.

(5) The right of the Association, subject to the provisions hereof, to mortgage all or any part of the Common Areas and Common Facilities. The Common Areas and Common Facilities cannot be mortgaged without the consent of Members representing at least sixty-seven percent (67%) of the total votes in the Association, excluding Declarant.

(6) All easements described in this Declaration are easements appurtenant to and running with the land; they will at all times inure to the benefit of and be binding upon Declarant, its grantees and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

B. Delegation of Use.

(1) Any Owner may delegate, in accordance with rules established by the Association, if any, his or her right to use and enjoy the Common Areas and Common Facilities to the Qualifying Resident (if the Owner is not the Qualifying Resident), Qualified Occupants residing in Owner's Residence, and the Owner's Tenants who reside in Owner's Residence.

(2) Except as provided in this subsection, during the period of any lease or rental of a Residence, neither the Owner nor his or her family or other parties claiming use rights through Owner will be entitled to use the Common Facilities during the period of delegation (other than any roads providing access to the leased

Residence), unless the Owner-lessor is a Qualifying Resident who is contemporaneously residing in another Residence within the Community. Owners-lessors who are not contemporaneously residing in another Residence will surrender their Villa cards to the Association for the period of the delegation, and any issuance of cards to Qualifying Resident tenants will be conditioned upon such surrender. Nothing in this subsection will preclude the Association from issuing temporary user cards to new purchasers of Residences who are in the process of selling another Residence and have not yet moved to their new Residence within the Community.

(3) Guests of an Owner may use the Common Areas and Common Facilities only in accordance with rules established by the Association, which may, among other things: (i) limit the number of guests; (ii) include a reasonable fee or charge for such use by guests; (iii) require that Owners accompany guests to the facilities and remain with guests under nineteen (19) years old at the Common Facilities; and (iv) restrict the times during guests may use certain facilities.

(4) Nothing in this Declaration will be interpreted as permitting transfer to tenants of an Owner's voting rights, which will not be delegated.

C. Rezoning Prohibited. No Lot will be rezoned to any classification allowing commercial, institutional or other non-residential use without the express consent of the Association and Declarant, which may be withheld in Declarant's sole discretion. Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the enjoined party.

D. Lot Consolidation. Declarant may divide any Lot and/or consolidate any adjoining Lots and/or any portion thereof. The Lot or Lots resulting from such division and/or consolidation will bear, and the Owner(s) of such Lot or Lots will be responsible for, all Assessments previously applicable to the Lots that are divided and/or consolidated; provided, however, if a Lot is split and not completely consolidated into another Lot, then the Assessment amount will be prorated on a square footage basis. Each such building site will meet all lawful requirements of any applicable statute, ordinance or regulation.

E. Drainage Alteration Prohibited. The surface water drainage contours of each Lot will conform to the grading plan established by Declarant and approved by the Village. No Owner will fill or alter any drainage swale or structure established by Declarant, nor will any Owner install landscaping or other Improvements that may damage or interfere with the installation and maintenance of utilities or that may obstruct or divert surface water runoff from the drainage patterns, swales and easements established by Declarant.

11. Initial Use Restrictions.

A. Nuisances. No noxious or offensive activity will be carried on upon any Lot, nor will anything be done on any Lot that may be or may become an annoyance or nuisance to the neighborhood. No Owner will engage in any activity that

materially disturbs or destroys the vegetation, wildlife or air quality within the Community or that results in unreasonable levels of sound or light pollution. Nothing will be done or maintained on any part of a Lot that emits foul or obnoxious odors outside the Lot or creates noise or other conditions that tend to disturb the peace, quiet, safety, comfort or serenity of the Occupants and invitees of other Lots. No noxious, illegal or offensive activity will be carried on upon any portion of the Community that in the Board of Directors' reasonable determination tends to cause embarrassment, discomfort, annoyance, danger or nuisance to Persons using the Common Areas including the Common Facilities or to the Occupants and invitees of other Owners.

B. Development Activity. Notwithstanding any other provision in this Declaration, Declarant and its successors and assigns will be entitled to conduct on the Properties all activities normally associated with and convenient to the development of the Properties and the construction and sale of single-family dwelling units on the Properties. Notwithstanding any provision in this Declaration to the contrary, Declarant and Builders may construct and maintain upon portions of the Common Areas and other property owned by Declarant or the Builder such facilities, activities and things as, in Declarant's opinion, may reasonably be required, convenient or incidental to the construction or sale of Lots. Such permitted facilities, activities and things will include, without limitation, business, offices, signs, flags (whether hung from flagpoles or attached to a structure), model Lots, sales offices, holding or sponsoring special events, and exterior lighting features or displays. In addition, if reasonably required, convenient or incidental to construction or sales activities, Declarant and Builders may park vehicles in areas other than garages or driveways, including on streets. Declarant and Builders will have easements for access to and use of such facilities at no charge. Builders' rights under this Section 11 are subject to Declarant's approval.

C. Temporary Structures. No structure of a temporary character, including without limitation any trailer, tent, shed, garage, motor home or mobile home, and no prefabricated or relocated structure, will be used on any Lot at any time as a Residence, either temporarily or permanently. This restriction will not be interpreted to limit the right of Declarant to use trailers or outbuildings as sales offices, selection center offices, construction offices or material storage facilities.

D. Signs, Flags, Flagpoles and Statues. No sign, flag or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Residence, wall, fence or other Improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the Properties or carried by any Person or by any other means displayed within the Properties or the subdivision except the following:

(1) For Sale Signs. An Owner may erect one sign not exceeding two (2) feet by three (3) feet in area, fastened only to a stake in the ground or a magnetic sign on the garage door and extending not more than three (3) feet above the surface of the ground. Such a sign may be erected only on the Lot being advertised for sale.

(2) Declarant's Flags, Signs and Billboards. Declarant may place and keep flags, signs or billboards on the Properties in the locations and manner determined by Declarant.

(3) Political Signs. Political signs not exceeding two (2) feet by three (3) feet in area may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs will not be erected more than ninety (90) days in advance of the election to which they pertain and are removed within ten (10) days after the election. Declarant or its agents will have the right to remove any sign, billboard or other advertising structure that does not comply with these requirements; and in so doing will not be subject to any liability in connection with such removal and costs of such removal will be solely incurred by the Owner.

(4) Flags and Flagpoles. United States flags may be displayed using a bracket or other approved device mounted to the Residence, so long as the size of the flag displayed does not exceed three (3) feet by five (5) feet.

(5) Statues. Statues, lawn ornaments and yard decorations of any size or type must be placed so as not to be Visible from Neighboring Property. However, this restriction will not apply to the display of exterior holiday decorations as permitted by Subsection 11Z of this Declaration.

E. Vehicles.

(1) Campers, Boats and Recreational Vehicles. No campers, boats, marine craft, hovercraft, host trailers, travel trailers, motor homes, camper bodies, golf carts or other types of recreational vehicles and non-passenger vehicles, equipment, implements or accessories may be kept on any Lot unless the same are fully enclosed within a garage located on such Lot and/or said vehicles and/or accessories are screened from view from the front of the Lot by a screening structure or fencing not less than five (5) feet in height, approved by the DRC, and said vehicles and accessories are in operable condition. The DRC will have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and fully enclosed and/or screened. Upon an adverse determination by the DRC, the vehicle and/or accessory will be removed and/or otherwise brought into compliance with this subsection. No dismantling or assembling of motor vehicles, boats, trailers, recreational vehicles, or other machinery or equipment will be permitted in any driveway or yard adjacent to a street. This Section will not apply to emergency vehicle repairs. Notwithstanding the foregoing, for the purposes of cleaning, loading, unloading, and short-term parking, recreational vehicles may be parked on the Lot's driveway for a period not exceeding twenty-four (24) hours no more frequently than once every seven (7) days. Owners must first obtain written permission from the Association for such short-term parking.

(2) Commercial Vehicles. No commercial vehicle with a gross vehicle weight ratio greater than one and a half (1.5) tons will be parked on any street

right-of-way or Lot except within an enclosed structure that prevents a view of the vehicle from adjacent lots and streets, unless such vehicle is temporarily parked and in use for the construction, maintenance or repair of a Residence in the immediate vicinity. No trucks or vehicles of any size that transport inflammatory, hazardous or explosive cargo may be kept on the Properties at any time. No vehicles or similar equipment may be parked on the landscaped areas of any Lot or Common Areas, or on any landscape median, curb or sidewalk, except as provided by Subsection 11E(1) of this Declaration.

(3) Motor Vehicles. No vehicles or similar equipment will be parked on any street overnight. No vehicles or similar equipment will be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles, pickup trucks with open beds, and pickup trucks with attached bed campers that are in operating condition and have current license plates and are in regular use as motor vehicles on the streets and highways of the State of New Mexico. No abandoned, unlicensed, derelict or inoperable vehicles may be stored or located on any Lot, except in garages.

F. Animals and Pets. No animals of any kind, including livestock and poultry, will be raised, bred or kept on any portion of the Properties, except that for each Residence there will be permitted a combined total of four (4) dogs, cats or other small, common household pets. No pets will be kept, bred or maintained for any commercial purpose. All Village and Valencia County animal control ordinances will be complied with. No animal will be allowed to run loose, and all animals will be kept within enclosed areas, which must be clean, sanitary and reasonably free of refuse, insects, and waste at all times. The Association will turn all animal issues over to the proper governmental departments for necessary action including the removal of animals from the property if necessary. The Association will work with the appropriate governmental department in accordance with all governmental ordinances in enforcement of this provision. Owners must promptly clean up their pets' droppings in all Common Areas.

G. Garbage and Refuse Disposal. No Lot will be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste will not be kept except in sanitary containers. All equipment for the storage or disposal of such material will be kept in a clean and sanitary condition. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble or debris will be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage and rubbish and on which days only such cans, bags, containers, and receptacles may be placed in front of a Residence and beside a street for removal but will be removed from view before the following day. Except for Declarant, no Owner may dispose of trash, garbage or other waste in any container designated, used or maintained for construction trash, garbage or other waste. Materials incident to construction may be stored on Lots during construction by Declarant. The Association will have the right to remove, relocate and/or dispose of any trash, garbage or other waste stored or disposed of in violation of this subsection and to charge the cost thereof to the Owner and to impose fines for violation of this Subsection 11G. Such cost will constitute a Benefited Assessment under this Declaration.

H. Air-Conditioning Units. No air-conditioning apparatus will be installed on the ground in front of a Residence nor will any air-conditioning apparatus or evaporative cooler be attached to any front wall or any window of a Residence.

I. Sight Distance at Intersections. No fence, wall, hedge or shrub planting that obstructs sight lines at elevations between two (2) and six (6) feet above the roadways will be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them, at points twenty-five (25) feet from the intersection of the street property lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations will apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree will be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

J. Common Area Parking. No vehicles, trailers, implements or apparatus may be driven or parked in the Common Areas, the Common Maintenance Areas or on any easement unless such vehicle, trailer, implement or apparatus is in use for maintaining such area or easement; provided, however, that this restriction will not apply to driveways or streets intended for vehicular use.

K. Commercial or Institutional Use.

(1) No Lot, and no building erected or maintained on any Lot, will be used for manufacturing, industrial, business, professional, commercial, institutional or other non-residential purposes, except as set forth in Section 8 of this Declaration. Nothing in this Section will prohibit an Owner's use of a Residence for conducting a business such as an office-type business with no more than one (1) employee, so long as (i) the business activity does not materially increase the number of cars parked on the street; (ii) the business activity does not interfere with adjoining homeowners' use and enjoyment of their Residences and yards; (iii) the business activity is not apparent or detectable by sight, sound or smell from outside the Residence; (iv) the business activity complies with applicable zoning requirements; (v) the business activity does not involve regular visitation of the Residence by clients, customers, suppliers or other business invitees or door-to-door solicitation within the Community; and (vi) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Community, as determined in the Board of Directors' sole discretion.

(2) "Business" will have its ordinary, generally accepted meaning and will include, without limitation, any occupation, work or activity undertaken on an ongoing basis that involves the provision of goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (a) such activity is engaged in full or part time, (b) such activity is intended to or does generate a profit, or (c) a license is required.

(3) This Section will not apply to restrict Declarant's activities in the Community, nor will it restrict the activities of Persons approved by Declarant involved with the development and sale of property in the Community. Additionally, this Section will not apply to any Association activity related to operating and maintaining the Community, the Common Facilities and other amenities.

(4) Leasing a Residence for a period of at least six (6) months is not a "business" within the meaning of this Section.

L. Detached Buildings. No detached accessory buildings, including without limitation detached garages (other than as otherwise provided in this Declaration), sheds, greenhouses and storage buildings, will be erected, placed or constructed upon any Lot without the prior consent of the DRC. Every accessory building will be compatible with the Residence on the Lot in terms of its design and material composition. Exterior paint and roofing materials of such accessory buildings will be consistent with the existing paint and roofing materials of the Residence.

M. Fences and Walls. All fences and walls will comply with Village requirements. No fence or wall will be erected or maintained on any Lot nearer to the street than the building setback lines for the front and side yards, except for fences and walls erected in conjunction with model homes or sales offices and retaining fences and walls constructed by Declarant. Setback lines will be measured from the exterior walls of the Residence. Pop outs, stub outs, extensions of living space, covered patios and other architectural features will not be included in the measurement of setback lines. Fences and walls constructed on corner lots may be erected for the side yards as long as such fencing complies with Village requirements. All side and rear property lines must be fenced or walled and meet Village setback criteria. All perimeter walls or fences will be five (5) feet in height unless another height is approved by the DRC but, in any event, no such wall or fence will be less than four (4) feet in height or greater than eleven (11) feet in height. No chain-link, metal cloth or agricultural walls or fences may be built or maintained on any Lot unless such wall or fence is located within the perimeter wall or fence in such a manner that it is not visible from any street, alley, park, Common Areas or public area (unless otherwise approved by the DRC in the manner described below). Unless otherwise agreed between Owners, side and rear yard walls or fences that separate adjacent Lots will be owned and maintained by the Owner on whose Lot the wall or fence exists, or if the location is indefinite, such wall or fence will be treated as a Party Structure under this Declaration. Notwithstanding the foregoing, the DRC will have the right and authority to approve variances of fencing height, material and/or location for reasonable cause or to alleviate hardship as determined in the sole judgment of the DRC; provided, however, the DRC may not approve a variance that contradicts the zoning and/or subdivision ordinances of the Village unless the Village has previously approved the variance. No Owner may modify, adjust or alter the perimeter wall or any retaining wall installed by Declarant.

N. Sidewalks. All sidewalks will conform to Village specifications and regulations. If an Owner or the Owner's representative, agent or employee, causes damage to any sidewalk located on or adjacent to such homeowner's Lot, the

homeowner must repair or replace the sidewalk so that it will be returned to its original condition.

O. Landscaping and Exterior Maintenance. The Builder will install all front yard landscaping on the Lot. An Owner who does not contract with Declarant for the installation of landscaping in the backyard of the Owner must complete the backyard landscaping within nine (9) months from the date the Owner takes title to the Lot. The DRC pursuant to Section 6 of this Declaration will first approve all landscaping to be installed by an Owner on any Lot and any changes or modifications will be made only with the approval of the DRC. All front yard and Common Area landscaping will be maintained by the Association. All front yard irrigation and sprinkler systems will be maintained and controlled by the Association. The cost of water used to maintain the landscaping on a Lot will be paid by the Lot Owner, including the water used to maintain the front yard landscaping. All landscaping other than the front yard landscaping located on any Lot will be properly maintained at all times by the Lot Owner. Each Lot Owner will keep all shrubs, trees, grass and plantings of every kind on his or her Lot cultivated, pruned, and free of trash and other unsightly material. All Improvements upon any Lot will at all times be kept in good condition and repair and adequately painted or otherwise maintained by the Owner. Declarant, the Association and the DRC will have the right at any reasonable time to enter upon any Lot to replace, maintain and cultivate shrubs, trees, grass, or other plantings as deemed necessary; and to paint, repair, or otherwise maintain any Improvements in need thereof, and to charge the cost thereof to the Owner. Such cost will constitute a Benefited Assessment under this Declaration.

P. Antennas, Satellite Dishes and Solar Collectors. Except with the written permission of the DRC or as provided in this Declaration, no Owner may erect or maintain (a) any direct broadcast satellite ("DBS") antenna greater than one meter (39 inches) in diameter, or (b) any multi-channel multipoint distribution service (wireless cable) ("MMDS") antenna greater than one meter (39 inches) in diameter; provided, however, that a DBS or MMDS antenna being less than one meter in diameter may be placed in the least conspicuous location on a Lot where an acceptable quality signal can be received as long as the DBS or MMDS antenna is screened from view of any street, alley, park, Common Areas or other public area, unless otherwise approved in writing by the DRC. The installation of any other antenna structure, such as a television broadcast service antenna, will be mounted in the attic of a Residence unless written permission is given by the DRC to place such antenna structure in another location. Except with the written permission of the DRC, no solar collector panels may be placed on or around the Residence or Lot.

Q. Clothes Hanging Devices. No clothes hanging devices may be constructed on a Lot outside a Dwelling except those of a temporary nature that are screened from view from the front of the Lot.

R. Window Treatment. No aluminum foil, reflective film or similar treatment will be placed on windows or glass doors. Temporary window treatments must be removed within forty-five (45) days of placement in or on the Residence.

S. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind will be permitted upon or in any Lot, nor will oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas will be erected, maintained or permitted upon any Lot. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground.

T. Mail Boxes. Mail boxes will be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards.

U. Garages and Driveways. Garages may be used as a Builder's sales office prior to permanent Occupancy of the Residence; and sales offices will be converted to garages prior to permanent Occupancy. With the exception of the period when garages are used by Declarant or a Builder as sales offices, all garages will be maintained for the storage of automobiles, and no garage may be enclosed or otherwise used for habitation, office, or business purposes. No carport will be permitted on a Lot. Up to twenty percent (20%) of the Residences may contain single-car garages.

V. Athletic and Recreational Facilities. No outdoor athletic and recreational facilities such as playscapes, swing sets and sport courts of a permanent or temporary nature will be placed on any Lot within the Properties or the Community.

W. Security.

(1) The Association is not responsible for security of the Community or any Residence, and each Owner and Occupant of a Lot and their respective guests and invitees are responsible for their own personal safety and the security of their property. The Association may, but will not be obligated to, maintain or support certain activities within the Community designed to enhance the level of safety or security that each Person provides for himself and his property. Neither the Association nor Declarant will in any way be considered insurers or guarantors of safety or security within the Community, nor will either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

(2) No representation or warranty is made that any systems or measures, including any mechanism or system for limiting access to the Community, cannot be compromised or circumvented, or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and will be responsible for informing all Occupants of its Lot that the Association, its Board of Directors and committees, and Declarant are not insurers or guarantors of security or safety and that each Person within the Community assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

X. Burning. Except for enclosed outdoor fireplaces and outdoor cooking as described in this Declaration, no burning of anything will be permitted anywhere on the Properties; provided, however, that nothing in this Subsection 11X prohibits usual and customary domestic activities within a Residence (e.g., a fire in a wood burning or gas fireplace).

Y. Utilities. Except as to special street lighting or other aerial facilities that may be required by the Village or by any utility company or that may be installed by Declarant pursuant to its development plan, no aerial utility facilities of any type will be erected or installed on the Properties whether upon individual Lots, easements, streets or rights-of-way of any type, and all utility service facilities (including without limitation water, sewer, gas, cable, electricity and telephone) will be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the DRC unless otherwise required by a public utility. No individual water supply system or sewage disposal system will be permitted on any Lot, including without limitation water wells, cesspools or septic tanks. No provision of this Declaration will be deemed to forbid the erection of temporary power or telephone structures for emergency purposes or incident to the construction of buildings or structures approved by the DRC. Notwithstanding the foregoing, utility meters and related panels and similar equipment may be placed on outside building walls exposed to view from a street in order to comply with any requirements, regulations, orders, conditions or specifications of any public, quasi-public or private utility or any governmental agency or body, provided that reasonable efforts will be made to avoid placing any such meter, panel or other equipment on the outside front wall of a Residence or other building facing the street running directly in front of such Residence.

Z. Exterior Holiday Decorations. Lights or decorations may be erected on the exterior of Residences in commemoration or celebration of publicly observed holidays provided that such lights or decorations do not unreasonably disturb the peaceful enjoyment of adjacent Owners by illuminating bedrooms, creating noise or attracting sightseers. All lights and decorations must be removed within thirty (30) days after the holiday has ended. Decorations or lights may not be displayed more than six (6) weeks in advance of the holiday. The Association will have the right, upon thirty (30) days' prior written notice, to enter upon any Lot and summarily remove exterior lights or decorations displayed in violation of this provision. The Association, and the individuals removing the lights and decorations, will not be liable to the Owner for trespass, conversion or damages of any kind except in the case of intentional misdeeds and gross negligence.

AA. Construction Activities. This Declaration will not be construed so as to unreasonably interfere with or prevent normal construction activities during the remodeling of or making of additions to Improvements by an Owner (including Declarant) upon any Lot within the Properties. Specifically, no such construction activities will be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities, provided that such construction is pursued to completion with diligence and conforms to usual construction practices in the area. If construction upon

any Lot does not conform to usual practices in the area as determined by the DRC in its sole good faith judgment, the DRC will have the authority to obtain an injunction to stop such construction. Nothing in this subsection or elsewhere in this Declaration authorizes an Owner or its agents, contractors and others to store, stage or dispose of materials, garbage or trash on the Common Areas or any portion of the Properties owned by Declarant, to accumulate excessive debris of any kind that is offensive or detrimental to the Properties or to damage or destroy the Common Areas or any portion of the Properties and if such event occurs the Association may contract for or cause such debris to be removed and/or damage to be repaired and to charge the cost thereof to the Owner. Such cost will constitute a Benefited Assessment under this Declaration.

BB. Prohibited Conditions. The following conditions, structures, or activities are prohibited on any Lot.

(1) Guest houses (except as initially constructed by Declarant or approved by Declarant as part of the initial construction of a Residence on a Lot); and

(2) Dog runs and animal pens of any kind if such structures are Visible from Neighboring Property.

CC. Leasing.

(1) For purposes of this Declaration, "leasing" is defined as regular, exclusive Occupancy of a Residence by any Person other than the Owner, for which the Owner receives any consideration or benefit, including, but not limited to, rent, a fee, a service, a gratuity or compensation. A Lot may be leased only in its entirety (e.g., separate rooms within the same Residence may not be separately leased). No structure on a Lot other than the primary Residence will be leased or otherwise Occupied for residential purposes, except that structures used for ancillary purposes, such as an "in-law suite" or detached "guest house" (if initially constructed by Declarant or approved by Declarant as part of the initial construction of a Residence on a Lot) may be Occupied, but not independently leased. There will be no subleasing of a Residence or assignment of leases except with the Board of Directors' prior written approval.

(2) Any Owner will have the right to lease his Lot as long as all leases are in writing and provided that the terms of the lease and the lessee's Occupancy of the leased premises will be subject in all respects to the provisions of the Governing Documents, including without limitation complying with the age restriction; and that any failure by the lessee to comply with any of the Governing Documents, in any respect, will be a default under the lease.

(3) All leases will require that Tenants and all Occupants of the leased Lot be bound by and obligated to comply with the Governing Documents. The restrictions on lease terms set forth in this subsection will not apply to Lots owned by Declarant.

(4) Notice of any lease, together with such additional information as the Board of Directors' may require, will be given to the Board of Directors' or its

designee by the Owner within ten (10) days of execution of the lease. The Owner must make available to the Tenant copies of the Governing Documents. The Board of Directors may adopt reasonable Use Restrictions and rules regulating leasing and subleasing and the activities of Tenants and subtenants.

(5) All leases, including approved subleases, will be in writing and will be for an initial term of at least six (6) months, except with the Board of Directors' prior written consent.

DD. Subdivision of a Lot and Time-Sharing. Lots may not be subdivided or their boundary lines changed; provided, Declarant may subdivide, change the boundary line of and replat any Lot(s) it owns, and, for so long as Declarant owns any portion of the Properties, convert Lots into Common Areas or Common Areas to Lots at any time before the transfer of title to the Association.

Time-sharing, fraction-sharing, or similar programs whereby the right to exclusive use of the Lot rotates among members of the program on a fixed or floating time schedule over a period of years is prohibited, except by Declarant while Declarant owns any portion of the Properties

EE. Party Structures and Other Shared Structures.

(1) General Rules of Law to Apply. Each wall, fence, driveway or similar structure built on the Lots that serves and/or separates any two adjoining Lots or a Lot and Common Areas will constitute a Party Structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding Party Structures and liability for property damage due to negligence or willful acts or omissions will apply. Any dispute arising concerning a Party Structure will be handled in accordance with the provisions of this Section.

(2) Maintenance, Damage and Destruction. Unless otherwise specifically provided in additional covenants relating to such Lots, the cost of reasonable repair and maintenance of a Party Structure will be shared equally by the Owners who own Property or Additional Property benefited by the Party Structure. If a Party Structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any benefited Owner will contribute a pro-rata share for the cost of restoration. However, such contribution will not prejudice the right to call for a larger contribution from the other user under any rule of law regarding liability for negligent or willful acts or omissions. The right of any Owner to contribution from any other Owner under this Section will be appurtenant to the land and will pass to such Owner's successor-in-title.

FF. Storage of Goods. Except by the Association, storage of furniture, fixtures, appliances, machinery, equipment, or other goods and chattels on the Common Areas, or, if not in active use, any portion of a Lot that is visible from outside the Lot is prohibited. No machinery or equipment of any kind will be placed, operated or

maintained upon or adjacent to any Lot or Parcel, except: (a) such machinery or equipment as is usual and customary in connection with the use, maintenance or construction (during the period of construction or modification) of a building, appurtenant structures of other Improvements; and (b) that which Declarant or the Association may permit or require for the development, operation and maintenance of the Community.

GG. Pool Equipment. All swimming pool equipment stored on any Lot will be screened so as to be neither Visible from Neighboring Property nor able to be seen through any wall or fence.

HH. Unightly or Unkempt Conditions. All portions of a Lot outside enclosed structures will be kept in a clean and tidy condition at all times. No rubbish or debris of any kind will be placed or permitted to accumulate within, upon or adjacent to any Lot so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other portion of the Community. Woodpiles or other material will be stored in a manner so as not to be Visible from Neighboring Property and not to be attractive to rodents, snakes and other animals and to minimize the potential danger from fires. No nuisance, as determined by the DRC in its reasonable discretion, will be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other portion of the Community. No activities will be conducted upon or adjacent to any Lot or within Improvements constructed on a Lot that are or might be unsafe or hazardous to any Person or property. No open fires will be lighted or permitted, except in a contained outdoor fireplace or barbecue unit while attended and in use for cooking purposes.

II. Occupants Bound. The Governing Documents apply to all Occupants of and visitors to any Lot. Every Owner will cause anyone Occupying or visiting his or her Lot to comply with the Governing Documents' Use Restrictions and will be responsible for all violations and losses to the Common Areas including the Common Facilities caused by such Persons, notwithstanding the fact that such Persons also are fully liable and may be sanctioned for any violation.

JJ. Disease and Insects. No Person will permit any thing or condition to exist upon any Lot or other Properties that will induce, breed or harbor infectious diseases or noxious insects.

KK. Mineral or Water Exploration. No Lot or other part of the Properties will be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, gas, earth or any earth substance of any kind, except for the drilling operation and maintenance of any testing, inspection or other water wells approved by Declarant.

LL. Model Homes. No provisions of this Declaration or any other restrictions that prohibit non-residential use of Lots and Properties and regulate parking of vehicles will prohibit the construction and maintenance of model homes of any kind including, without limitation, any used in whole or in part as sales offices or design center displays (collectively "Models") by Persons engaged in the construction of

Residences in the Community, or parking incidental to the visiting of such Models, so long as the construction, operation and maintenance of such Models and parking otherwise comply with all of the provisions of this Declaration. The DRC may also permit Lots and other areas to be used for parking in connection with the showing of Models. Any homes or other structures constructed as Models will cease to be used as models at any time the Owner thereof is not actively engaged in the construction and sale of Residences in the Community, and no home or other structure will be used as a Model for the sale of homes or other structures not located in the Community.

MM. Incidental Uses. The DRC may approve uses of property within a land use classification that are incidental to the full enjoyment of the Owners and Occupants of the Community within the land use classification. Such approval may be subject to such regulations, limitations and restrictions, including termination of the use, as the DRC may wish to impose, in its sole discretion, for the benefit of the Community as a whole.

NN. Protection of Owners and Residents. Except as may be set forth in this Declaration (either initially or by amendment), the Association's actions with respect to Use Restrictions and Rules must comply with the following limitations. These limitations limit the Board of Directors' rulemaking authority exercised under the Bylaws and do not apply to amendments to this Declaration adopted in accordance with Subsection 14E of this Declaration.

(1) Rights of Assembly. Owners and residents will be permitted to engage in orderly conduct to express opinions to the membership at large.

(2) Household Composition. The Association will not interfere with the freedom of Owners and Residents, except that it may limit the total number of Persons entitled to Occupy a Residence based upon the size of the Residence (based on such factors as the number of bedrooms), not to exceed the number permitted under current zoning ordinances, and limit the number of Occupants per household who have full privileges as Members to use of the Common Areas including the Common Facilities.

(3) Activities Within Residences. The Association will not interfere with activities carried on within a Residence except it may prohibit activities not normally associated with residential property, and it may restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible outside the Residence, or that create an unreasonable source of annoyance.

(4) Alienation. The Association will not prohibit leasing or transfer of any Lot, subject to the Governing Documents. The Association may require that Owners use Association-approved lease forms (or include specific lease terms) and may impose a reasonable review or administrative fee on the lease or transfer of any Lot. The minimum initial lease term is six (6) months.

(5) Abridging Existing Rights. The Association may not require an Owner to dispose of personal property that was in or on a Lot in compliance with previous rules. This exemption will apply only during the period of such Owner's ownership of the Lot, and will not apply to subsequent Owners who take title to the Lot after adoption of the rule.

(6) Reasonable Rights to Develop. The Association may not unreasonably impede Declarant's right to develop the Community or require Declarant to develop any portion thereof, with all future development being in Declarant's sole discretion.

OO. Maximum Occupancy. No more than two Persons per bedroom will Occupy the same Residence on a regular and consistent basis (as determined in the Board of Director's discretion).

PP. Insurance Obligations of Owners. Each Owner will insure the Residence and Improvements on its Lot against loss or damage by fire or by any other casualty in an amount as near as practical to the full replacement value of the Residence and pertinent Improvements without deduction for depreciation or coinsurance.

QQ. Occupancy Restrictions. Subject to Subsection 8E of this Declaration, each Residence, if Occupied, will be Occupied by an Age-Qualified Occupant; provided, however, that once a Residence is Occupied by an Age-Qualified Occupant, other Qualified Occupants of that Residence may continue to Occupy the Residence, regardless of the termination of Occupancy by said Age-Qualified Occupant, subject to any Rules. Notwithstanding the foregoing, at all times, at least eighty percent (80%) of the Residences within the Properties will be Occupied by at least one (1) individual who is fifty-five (55) years of age or older. The Board of Directors will establish policies and procedures from time to time as necessary to maintain its status as an age-restricted community under state and federal laws. The Association will provide, or contract for the provision of, those facilities and services designed to meet the physical and social needs of such individuals as may be required under such laws.

12. Dispute Resolution and Limitation on Litigation.

A. Agreement to Encourage Resolution of Disputes Without Litigation.

(1) Declarant, the Association and the Association's officers, Directors, and committee members, all Persons subject to this Declaration, and any Person not otherwise subject to this Declaration who agrees to submit to this Section (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Community without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in Subsection 12A(2) of this Declaration, unless and until it has first submitted such Claim to the alternative dispute

resolution procedures set forth in Subsection 12B of this Declaration in a good-faith effort to resolve such Claim.

(2) As used in this Section, the term "Claim" will refer to any claim, grievance or dispute arising out of or relating to:

(a) the interpretation, application or enforcement of the Governing Documents;

(b) The rights, obligations and duties of any Bound Party under the Governing Documents;

(c) the design or construction of non-residential improvements within the Community, other than matters of aesthetic judgment, which will not be subject to review; or

(d) a challenge to any decision by the Board of Directors or any decision by a Board of Director's committee.

(3) The following will not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in this Section:

(a) any suit by the Association to collect assessments or other amounts due from any Owner;

(b) any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of this Declaration;

(c) any suit between Owners that does not include Declarant or the Association as a party, if such suit asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(d) any suit in which any indispensable party is not a Bound Party; and

(e) any suit as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Subsection 12B of this Declaration, unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Section.

B. Dispute Resolution Procedures.

(1) Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") will give written notice ("Notice") to each Respondent and to the Board of Director's stating plainly and concisely:

(a) the nature of the Claim, including the Persons involved and Respondent's role in the Claim;

(b) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(c) the Claimant's proposed resolution or remedy; and

(d) the Claimant's desire to meet with the Respondent to discuss in good-faith ways to resolve the Claim.

(2) Negotiation. The Claimant and Respondent will make every reasonable effort to meet in Person and confer for the purpose of resolving the Claim by good-faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board of Directors may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(3) Mediation.

(a) If the Bound Parties have not resolved the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other agreed-upon period), the Claimant will have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the Community area. Each Bound Party will submit to the mediator a written summary of the Claim.

(b) If the Claimant does not submit the Claim to mediation within such time, or does not appear for and participate in good faith in the mediation when scheduled, the Claimant will be deemed to have waived the Claim, and the Respondent will be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

(c) If the Bound Parties do not settle the Claim within thirty (30) days after submitting the matter to mediation, or within such time as determined reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant will thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

(d) Each Bound Party will bear its own costs of the mediation, including attorneys' fees, and each Party will share equally all fees charged by the mediator.

(4) Settlement. Any settlement of the Claim through negotiation or mediation will be documented in writing and signed by the Bound Parties. If any Bound Party thereafter fails to abide by the terms of such agreement, then any other Bound Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the Bound Party taking action to enforce the agreement will, upon prevailing, be entitled to recover from the non-complying Bound Party (or each one in equal proportions) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

C. Initiation of Litigation by Association. In addition to compliance with the foregoing alternative dispute resolution procedures, if applicable, the Association will not initiate any judicial or administrative proceeding against Declarant or anyone else unless first approved by Members representing at least seventy-five percent (75%) of the total votes in the Association, except that no such approval will be required for actions or proceedings:

- (1) initiated during Class B Control Period;
- (2) initiated to enforce the provisions of this Declaration, including collection of Assessments, and foreclosure of liens and seeking injunctive relief for non-monetary violations;
- (3) initiated to challenge *ad valorem* taxation or condemnation proceedings;
- (4) initiated against any contractor (exclusive of Declarant), vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- (5) to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

This Section will not be amended unless the amendment is approved by the same percentage of votes necessary to institute proceedings. The Association cannot sue anyone with respect to any issues regarding individual Residences including, without limitation, construction and warranty claims, and can only sue for issues regarding the Common Areas and Common Facilities.

In the matters listed above, the Directors of the Association will be indemnified for their decisions pursuant to Subsection 14O of this Declaration.

13. Addition and Withdrawal of Property.

A. Addition of Additional Property Without Approval of Members. Until all of the Additional Property has been subjected to this declaration or 25 years after the recording of this Declaration in the Valencia County, New Mexico real property records, Declarant may unilaterally subject all or any portion of the Additional Property to the

provisions of this Declaration. Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the Properties and that such transfer is memorialized in a written, recorded instrument executed by Declarant. Addition of all or part of the Additional Property will be accomplished by filing a Supplemental Declaration in the real estate records describing the Additional Property being subjected to this declaration and will not require the consent of the Members. Nothing in this Declaration will be construed to require Declarant or any successor to annex or develop any of the Additional Property.

B. Addition of Property With Approval of Members. After the end of the Class B Control Period, the Association may subject any real estate to the provisions of this Declaration with the consent of the owner of the real estate being annexed and the affirmative vote of fifty-one percent (51%) of the Members. Such annexation will be accomplished by recording a Supplemental Declaration describing the real estate being annexed and recorded in the Valencia County, New Mexico real property records. Any such Supplemental Declaration will be signed by the President and Secretary of the Association, and by the owner of the annexed property.

C. Withdrawal of Property. During the Class B Control Period, Declarant reserves the right to amend this Declaration for the purpose of removing any portion of the Properties from the coverage of this Declaration, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties. Such withdrawal will be accomplished by recording a Supplemental Declaration describing the real estate being withdrawn and recorded in the Valencia County, New Mexico real property records. The Supplemental Declaration will not require the consent of any Person or Owner other than the Owner of the property to be withdrawn, if not Declarant. If any of the property withdrawn is a Common Area, the President and the Secretary of the Association must consent to the withdrawal and sign the Supplemental Declaration.

D. Additional Covenants and Easements. Declarant may unilaterally subject any portion of the Properties to additional covenants and easements. Such additional covenants and easements will be set forth in a Supplemental Declaration filed in the Valencia County, New Mexico real property records. Any Supplemental Declaration may supplement, create exceptions to, create new, different or additional restrictions, or otherwise modify the terms of this Declaration as it applies to the Properties in order to reflect the different character and intended use of such Properties.

14. General.

A. Enforcement. The Association or any Owner will have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges imposed now or in the future by the provisions of this Declaration. Failure of the Association or any Owner to enforce any covenant or restriction of this Declaration will not be deemed a waiver of the right to do so in the future.

B. Remedies. If any Owner defaults under the provisions of this Declaration, the Bylaws, the Design Guidelines or any Rules, the Association and any other Owner will each have all of the rights and remedies that may be provided for in this Declaration, the Bylaws, the Design Guidelines and any Rules, as well as all rights and remedies that may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief. No remedies provided in this Declaration or available at law or in equity will be deemed mutually exclusive of any other remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest as described below from the due date until paid, will be charged to and assessed against such defaulting Owner, and will be added to and deemed part of his or her respective Regular Assessment (to the same extent as the lien provided in this Declaration for unpaid Assessments) upon the Lot and upon all of the Owner's additions and Improvements to the Lot, and upon all of his or her personal property upon the Lot.

C. Interest. Where this Declaration provides for the charging of interest, the interest rate will be the lesser of eighteen percent (18%) per annum or the highest rate of interest allowed by New Mexico law, as amended from time to time; provided, however, that, with reference to any Lots financed by FHA-insured loans, interest may not exceed the maximum rate of FHA loans at the time interest is imposed.

D. Term. The covenants and restrictions of this Declaration will run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they will be automatically extended for successive periods of ten (10) years each, unless the Members vote to terminate the covenants and restrictions of this Declaration upon the expiration of the initial 30-year period or any extension thereof, which termination will be by written instrument signed by Members representing at least sixty-seven percent (67%) of the total votes and properly recorded in Valencia County, New Mexico. Notwithstanding anything seemingly to the contrary contained in this Subsection 14D, so long as the Master Declaration is in effect this Declaration may not be terminated without the prior written consent of the Master Association.

E. Amendment. During the Class B Control Period, Declarant may, in its sole discretion and without consent being required of any other Person, including, but not limited to, the Owners, modify, amend or repeal this Declaration, provided said amendment, modification or repeal is in writing and properly recorded in Valencia County, New Mexico and consented to by each of Huning Limited Partnership, Curb South LLC and the Master Association. After the end of the Class B Control Period, this Declaration may be amended by an instrument signed by Members representing at least sixty-seven percent (67%) of the total votes in the Association. Any amendment must be recorded in the real property records of Valencia County, New Mexico.

Notwithstanding anything seemingly to the contrary in this Subsection 14E, as long as Huning Limited Partnership or Vargas Land, LLC, a New Mexico limited liability company, own any of the real estate described in Exhibit B to this Declaration, Huning Limited Partnership, Curb South and the Master Association must approve in writing any material amendment of this Declaration. By way of example, a "material amendment" is an amendment that changes the use of the property from single-family to multi-family, office or commercial use or a change in zoning. An amendment to this Declaration for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision will not be a material amendment of this Declaration.

F. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order will in no way affect any other provisions, which will remain in full force and effect.

G. FHA/VA Approval. If there exists a Class B membership, the following actions will require approval of the Federal Housing Administration and the United States Department of Veterans Affairs, as applicable: (1) mortgaging or conveyance of Common Areas or Common Facilities, (2) annexation of Additional Property into the Association, (3) amendment of this Declaration or the Articles of Incorporation or Bylaws of the Association except as provided in Subsection 13D of this Declaration.

H. Gender. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, will include all other genders and the singular will include the plural, and vice versa.

I. Headings. The headings contained in this Declaration are for reference purposes only and will not in any way affect the meaning or interpretation of this Declaration.

J. Conflicts. In the event of conflict between the terms of this Declaration and any Bylaws, Rules, Design Guidelines or Articles of Incorporation of the Association, this Declaration will control. In the event of conflict between the terms of this Declaration and the terms of the Master Declaration, this Declaration will control pursuant to Article VIII, Section 12, of the Master Declaration.

K. Partial Invalidity. The invalidation of any one of these covenants by judgment or court order will in no way affect any of the other provisions, which will remain in full force and effect.

L. Equal Treatment. So long as Declarant owns any of the Properties, neither the Association nor any other entity will, without the prior written consent of Declarant, adopt any policy, rule, or procedure that:

(1) limits the access of Declarant or Declarant's successors, assigns, and/or affiliates or their personnel and/or guests, including visitors, to the

Common Areas including the Common Facilities of the Community or to any property owned by any of them;

(2) limits or prevents Declarant or Declarant's successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Association or its Common Areas including the Common Facilities or any property owned by any of them in promotional materials;

(3) limits or prevents purchasers of new residential housing constructed by Declarant or Declarant's successors, assigns and/or affiliates in the Community from becoming members of the Association or enjoying full use of its Common Areas including the Common Facilities subject to the membership provisions of this Declaration and the Bylaws;

(4) discriminates against or singles out any group of Members or prospective Members or Declarant, whether by fee structure or other means (except for Benefited Assessments, chartered club dues and use fees) that discriminate against or singles out any group of Members or Declarant;

(5) affects the ability of Declarant or Declarant's successors, assigns, and/or affiliates, to carry out to completion its development plans and related construction activities for the Community, as such may be amended and updated from time to time. Policies, rules, or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete the Community will be expressly included in this provision. Easements that may be established by Declarant will include but will not be limited to easements for development, construction and landscaping activities and utilities; or

(6) affects the ability of Declarant or Declarant's successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

Neither the Association nor any other entity will exercise its authority over the Common Areas (including, but not limited to, any gated entrances and other means of access to the Community) to interfere with the rights of Declarant set forth in this Declaration or to impede access to any portion of the Community over the streets and other Common Areas within the Community. The Association will not condone, encourage its members or participate in public assembly for the purpose of interfering with Declarant's business within the Community or engage in any activity that presents a public health or safety risk.

M. Right To Use Common Areas or Common Facilities for Special Events. As long as Declarant owns any of the Properties, Declarant will have the right to use all Common Areas including the Common Facilities to sponsor special events for philanthropic and social purposes as determined by Declarant in its sole discretion. Any such event will be subject to the following conditions:

(1) the availability of the facilities for the period of time requested of the Association by Declarant, provided that the request is not submitted more than six (6) months prior to the actual special event.

(2) Declarant will pay all costs and expenses incurred and will indemnify the Association against any loss or damage resulting from the special event (as per the insurance requirements for such events set forth in this Declaration) other than customary use charges, which except for a \$100 security deposit will be waived, and

(3) Declarant will return the facilities and personal property owned by the Association and used in conjunction with the special event to the Association in the same condition as existed prior to the special events.

Declarant will have the right to assign its rights contained in this Section to charitable organizations or foundations selected by Declarant. Declarant's right to use the Common Areas including the Common Facilities for special events will be enforceable by injunction, by any other remedy in law or equity, and by the terms of this Declaration. Declarant will be responsible for removal of all trash, debris and refuse from the Common Areas including the Common Facilities after such special events and, if Declarant fails to do so, the Association will deduct the costs of removal from the security deposit.

N. View Impairment. Neither Declarant nor the Association guarantees or represents that any view over and across the Lots or any open space within the Community will be preserved without impairment, and neither will be obligated to relocate, prune or thin trees or other landscaping except to maintain the Community-Wide Standard. The Association and Declarant (with respect to the Common Areas) have the right to add trees, walls, fences, berms, homes or other structures, signs, lighting, water features and other landscaping from time to time subject to applicable law. Any express or implied easements for view purposes or for the passage of light and air are expressly disclaimed. Notwithstanding the foregoing, the Association rules may impose requirements restricting the location of modifications to existing Improvements so as to preserve views.

O. Indemnification of Officers, Directors and Others.

(1) The officers and Directors of the Association and members of the DRC and other Association committees will not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, Directors and committee members will have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, Directors or committee members may also be Members of the Association).

(2) Subject to New Mexico law, the Association will indemnify every officer, Director and committee member against all damages and expenses,

including attorneys' fees, reasonably incurred in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then-Board of Directors) to which he or she may be a party by reason of being or having been an officer, Director or committee member, except that such obligation to indemnify will be limited to those actions for which the indemnitee's personal liability is limited under this Section.

(3) This right to indemnification will not be exclusive of any other rights to which any present or former officer, Director, or committee member may be entitled. The Association will, as a Common Expense, maintain adequate general liability and officers' and Directors' liability insurance to fund this obligation, if such insurance is reasonably available.

P. Limitation on Indemnities. To the extent, if at all, that Section 56-7-1 NMSA 1978 applies, any agreement to indemnify, hold harmless, insure or defend another party contained in this Declaration will not extend to liability, claims, damages, losses or expenses, including attorneys' fees, arising out of bodily injury to persons or damage to property caused by or resulting from, in whole or in part, the negligence, act or omission of any indemnitee, its officers, employees or agents.

Q. No Representations or Warranties. No representations or warranties of any kind, express or implied, other than the standard warranty required by VA and FHA, have been given or made by Declarant or its agents or employees in connection with the Properties or any portion thereof, or any improvement on the Properties, its physical condition, zoning, compliance with applicable laws, or fitness for intended use, or its connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes, or regulation thereof as a common-interest community, except as specifically and expressly set forth in this Declaration and except as may be filed by Declarant from time to time with any governmental authority. TO THE EXTENT PERMITTED BY LAW, THE ASSOCIATION, EACH AND EVERY OWNER, AND THEIR SUCCESSORS AND ASSIGNS WAIVE, AND DECLARANT EXPRESSLY DISCLAIMS AND EXCLUDES, ANY AND ALL EXPRESS AND IMPLIED WARRANTIES CREATED BY NEW MEXICO STATUTES, AND OTHER APPLICABLE LAWS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY, AND WORKMANSHIP. By virtue of obtaining its ownership interest in the Properties or any portion thereof, the Association and each and every Owner covenant and agree that the period for commencing any action against Declarant for breach of any obligations or warranties arising under any New Mexico statute will be two (2) years after the cause of action accrues.

R. WAIVERS. BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE COMMUNITY, EACH PERSON, FOR HIMSELF, HIS HEIRS, AND HIS PERSONAL REPRESENTATIVES, SUCCESSORS, TRANSFEREES AND ASSIGNS, AGREES TO HAVE ANY CLAIM RESOLVED ACCORDING TO THE PROVISIONS OF SUBSECTION 12B OF THIS DECLARATION AND WAIVES THE RIGHT TO PURSUE ANY CLAIM IN ANY

MANNER OTHER THAN AS PROVIDED IN SUBSECTION 12B OF THIS DECLARATION. THE ASSOCIATION, EACH OWNER AND DECLARANT FURTHER WAIVE THEIR RESPECTIVE RIGHTS TO AN AWARD OF PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO ANY CLAIM. BY ACCEPTANCE OF A DEED OR BY ACQUIRING ANY OWNERSHIP INTEREST IN ANY PORTION OF THE COMMUNITY, EACH OWNER HAS VOLUNTARILY ACKNOWLEDGED THAT HE IS GIVING UP ANY RIGHTS HE MAY POSSESS TO PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO A CLAIM.

S. General Declaration Creating Jubilee at Los Lunas as a Development Providing Housing to Older Persons. Declarant declares that all of the real property constituting the Community is and will be subject to this Declaration and any applicable recorded supplemental declaration. Jubilee at Los Lunas is an active senior housing development that is intended to qualify as "housing for older Persons" exempt from the age restriction prohibition contained in the Federal Fair Housing Act Amendments of 1988 and the Housing for Older Persons Act of 1995 (the "Fair Housing Act"). In order to satisfy the requirements of the Fair Housing Act, the Association will:

(1) publish and adhere to policies and procedures that demonstrate an intent by the Association to provide housing for individuals fifty-five (55) years of age or older; and

(2) comply with rules issued by the Secretary of Housing and Urban Development for verification of Occupancy by individuals fifty-five (55) years of age or older.

The requirements of this Subsection 14S are intended to comply with the exemption requirements under the Fair Housing Act, and the regulations issued under the Fair Housing Act. If the Fair Housing Act, or the regulations are amended, modified or repealed, the provisions of this Subsection 14S automatically will be amended, modified or repealed in the same manner by action of the Board of Directors and without necessity of further Member approval.

T. Mortgagee Protection. No breach or violation of any of the covenants, conditions, restrictions, provisions or limitations contained in this Declaration shall impair, defeat or render invalid the lien of any lien or charge under any deed of trust or mortgage upon the Property made in good faith and for value.

[SIGNATURES APPEAR ON NEXT PAGE]

DATED: June 5, 2007.

DECLARANT:

JENAMAR JUBILEE, INC.,
a Washington corporation

By: 

Its: C.R.O.

The undersigned approves the terms of this Declaration and its recordation.

HUNING LIMITED PARTNERSHIP,
a New Mexico limited partnership

By: 

John L. Huning, General Partner

By: 

Louis F. Huning, General Partner

The undersigned approves all amendments to the Master Declaration contained in this Declaration and the recordation of this Declaration.

HUNING RANCH OWNERS' ASSOCIATION,
INC., a New Mexico corporation

By: 

Stan Strickman, President

The undersigned approves the terms of this Declaration and its recordation.

CURB SOUTH LLC
A New Mexico limited liability company

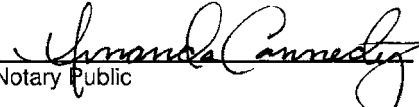
By: 

Charles A. Haegelin, Manager

STATE OF NEW MEXICO

COUNTY OF Bernalillo

This instrument was acknowledged before me on June 5, 2007, by Jonathan A. Cohen, the Chief Executive Officer of Jenamar Jubilee, Inc., a Washington corporation, on behalf of the corporation.


Notary Public

My commission expires: 07-20-2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO Valencia

This instrument was acknowledged before me on 6-11, 2007, by John L. Huning, General Partner of Huning Limited Partnership, a New Mexico limited partnership, on behalf of the limited partnership.


Notary Public

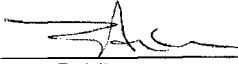
My commission expires: _____



OFFICIAL SEAL
Jo Ann Garcia
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 3-1-2011

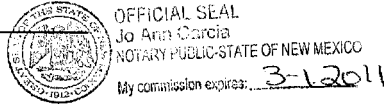
STATE OF NEW MEXICO
COUNTY OF ~~BERNALILLO~~ Valencia

This instrument was acknowledged before me on 6-11, 2007,
by Louis F. Huning, General Partner of Huning Limited Partnership, a New Mexico
limited partnership, on behalf of the limited partnership.



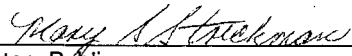
Notary Public

My commission expires: _____



STATE OF NEW MEXICO
COUNTY OF BERNALILLO

This instrument was acknowledged before me on June 6, 2007,
by Stan Strickman, President of Huning Ranch Owners' Association, Inc., a New Mexico
corporation, on behalf of the corporation.



Notary Public

My commission expires: _____

STATE OF NEW MEXICO
COUNTY OF ~~VALENCIA~~ BERNALILLO



This instrument was acknowledged before me on June 7, 2007, by
Charles A. Haegelin, Manager of Curb South LLC, a New Mexico limited liability
company, on behalf of the limited liability company.



Notary Public

My commission expires: _____



VALENCIA COUNTY
SALLY PEREA, CLERK
200711321
Book 361 Pg 11321
57 of 58
06/15/2007 03:17:38
BY SSALAS

EXHIBIT "A"

The Property

Tract Five (5), LANDS OF HUNING LIMITED PARTNERSHIP SITUTATE WITHIN The San Clements Grant in projected Section 23, 24, 25, Township 7 North, Range 1 East, New Mexico Principal Meridian, Valencia County, New Mexico as the same is shown and designated on the plat thereof filed in the Office of the County Clerk of Valencia County, New Mexico on January 31, 2006, in Cabinet J at Page 647.

EXHIBIT "B"

Tract 1-E-1, as said Tract is shown and designated on the Plat of Tracts 1-E-1 and G-1-A, Lands of Huning Limited Partnership, filed of record with the real estate clerk for Valencia County, New Mexico, filed of record on August 22, 2006, in Book J, Page 710; and

Tract Six (6), LANDS OF HUNING LIMITED PARTNERSHIP, as said Tract is depicted and described on the Subdivision Plat of Tracts 1 thru 6 and Tracts G-1 and J, filed in the Office of the County Clerk of Valencia County on January 31, 2006 in Cabinet "J", Page 647

VALENCIA COUNTY
SALLY PEREA, CLERK
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Book 361 Page 17628
2 of 2
09/18/2007 02:50:26
BY FARMJO

Exhibit "A"

Tract 1-E-1, as said Tract is shown and designated on the Plat of Tracts 1-E-1 and G-1-A, Lands of Huning Limited Partnership, filed of record with the real estate clerk for Valencia County, New Mexico, filed of record on August 22, 2006, in Book J, Page 710; and

Tract Six (6), LANDS OF HUNING LIMITED PARTNERSHIP, as said Tract is depicted and described on the Subdivision Plat of Tracts 1 thru 6 and Tracts G-1 and J, filed in the Office of the County Clerk of Valencia County on January 31, 2006 in Cabinet "J", Page 647

RECEIVED JAN 04 2008

**NOTIFICATION REQUIREMENT FROM TITLE COMPANIES
OF SALE OF LOTS IN
JUBILEE AT LOS LUNAS SUBDIVISION**

THIS REQUEST is made by Jubilee at Los Lunas Homeowners Association, Inc., a New Mexico nonprofit corporation (the "Association"), on the 15th day of July, 2007.

WHEREAS, the following property (collectively "Jubilee at Los Lunas Subdivision"):

Tract Five (5), LANDS OF HUNING LIMITED PARTNERSHIP SITUTATE WITHIN The San Clements Grant in projected Section 23, 24, 25, Township 7 North, Range 1 East, New Mexico Principal Meridian, Valencia County, New Mexico as the same is shown and designated on the plat thereof filed in the office of the County Clerk of Valencia County, New Mexico on January 31, 2006, in Cabinet J at Page 647,

is encumbered by the Amended and Restated Supplemental Declaration to the Master Covenants, Conditions and Restrictions for Huning Ranch Pertaining to Jubilee at Los Lunas Subdivision, which Declaration was filed for record on June 15, 2007, in Book 361, Page 1321 as Document No. 200711321, of the records of Valencia County, New Mexico, as amended and supplemented (the "Declaration").

WHEREAS, owners of the Lots (as defined in the Declaration) within Jubilee at Los Lunas Subdivision are members of the Association and are obligated to pay assessments to the Association, which assessments are liens against an owner's Lot, and it is necessary for the Association to keep its records regarding members current.

THEREFORE, the Association requires that any title company closing a conveyance of a Lot or recording the refinancing of a Lot in Jubilee at Los Lunas Subdivision (i) notify the Association of the pendency of the closing or refinancing and obtain from the Association a current homeowner statement showing the amount of any unpaid assessments and any transfer or refinancing fees required to be paid in connection with the closing or refinancing fees; (ii) collect at closing or refinancing the amount of any assessments which are due and unpaid at that time, along with any such transfer or refinancing fees, in order to enable the collection by the Association of such items; and, for closings only (iii) notify the Association in writing, by copy of deed, to include the Lot number, subdivision phase of the purchased Lot, and the name and address of the purchaser of the Lot.

The address of the Association is as follows:

Jubilee at Los Lunas Homeowners' Association, Inc.
c/o Homeowners Association Management Company
P. O. Box 67590
Albuquerque, NM 87193
(505) 888-4479

VALENCIA COUNTY
SALLY PEREA, CLERK
200808994
Book 362 Pg 8994
1 of 2
06/17/2008 11:12:30
BY LVALLEJOS

FURTHER, if the assessments are not paid current through the closing of sale or refinancing of a Lot within the subdivision, the purchaser's Lot remains responsible for payment of the assessments and the associated lien is subject to foreclosure to collect the assessments.

FURTHER, the Association advises purchasers not to close the purchase of a Lot within the Jubilee at Los Lunas Subdivision without assurance from the title company that assessments have been paid current through the closing date.

JUBILEE AT LOS LUNAS HOMEOWNERS ASSOCIATION, INC.,
a New Mexico nonprofit corporation

By: *Sidney Erickson*
Sidney Erickson, President

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

This instrument was acknowledged before me on the 28 day of December, 2007, by Sidney Erickson as President of Jubilee at Los Lunas Homeowners Association, a New Mexico nonprofit corporation.

[Signature]
Notary Public

My Commission Expires:
7/20/2010

VALENCIA COUNTY
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2 of 2
06/17/2008 11:12:30
BY LVALLEJOS

SECOND AMENDMENT TO AMENDED AND RESTATED SUPPLEMENTAL
DECLARATION TO THE MASTER COVENANTS, CONDITIONS AND RESTRICTIONS
FOR HUNING RANCH PERTAINING TO JUBILEE AT LOS LUNAS SUBDIVISION

This Second Amendment to Amended and Restated Supplemental Declaration to the Master Covenants, Conditions and Restrictions for Huning Ranch Pertaining to Jubilee Los Lunas Subdivision (the "Second Amendment") is made by Jubilee Los Lunas, LLC, a Delaware limited liability company ("Jubilee"), as the successor in interest to Jenamar Jubilee, Inc., a Washington corporation ("Jenamar").

1. Recitals. The following Recitals apply to this Second Amendment.

A. The Jubilee at Los Lunas subdivision is located within the master-planned community known as Huning Ranch and is subject to the Master Declaration of Covenants, Conditions, Restrictions and Easements for Huning Ranch recorded at Book 356, Page 3303, in the real property records of Valencia County, New Mexico (the "Recording Office"), on June 10, 2004, as amended by an Amendment to the Master Declaration of Covenants, Conditions, and Restrictions for Huning Ranch recorded at Book 359, Page 4187, in the Recording Office, on March 8, 2005, as further amended by a Supplemental Declaration Notice of Declarant's Right To Make Future Changes To The Huning Ranch Master Plan recorded at Book 360, Page 14037 in the Recording office on July 19, 2006, and as further amended by a Supplemental Declaration Notice of Declarant's Right to make Future Changes To The Huning Ranch Master Plan recorded at Book 362, Page 538 in the Recording Office on January 11, 2008 (collectively, the "Master Declaration").

B. In accordance with Article VIII, Section 12, of the Master Declaration, a Supplemental Declaration to the Master Declaration of Covenants, Conditions, and Restrictions for Huning Ranch Pertaining to the Jubilee at Los Lunas Subdivision was recorded at Book 360, Page 14036, in the Recording Office on July 19, 2006, as amended by an Amended And Restated Supplemental Declaration To The Master Declaration Of Covenants, Conditions, And Restrictions For Huning Ranch Pertaining To The Jubilee At Los Lunas Subdivision recorded in Book 361, Page 11321 in the Recording Office on June 15, 2007, and as further amended by a First Declaration Subjecting Additional Property to the Amended and Restated Supplemental Declaration To The Master Declaration of Covenants, Conditions and Restrictions For Huning Ranch Pertaining To The Jubilee At Los Lunas Subdivision recorded at Book 362, Page 540 in the Recording Office on January 11, 2008 (collectively, the "Supplemental Declaration").

C. Under the Supplemental Declaration, the Declarant is the Class B Member of the Jubilee at Los Lunas Homeowners Association Inc., a New Mexico nonprofit corporation. Section 14.E of the Supplemental Declaration provides that, among other things, during the Class B Control Period, the Declarant may unilaterally amend the Supplemental Declaration provided that such amendments do not constitute

VALENCIA COUNTY
SALLY PERGA, CLERK
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Book 363 Pg 2741
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03/03/2009 02:37:37
BY SARACON

"material amendments" within the meaning of Section 14.E of the Supplemental Declaration.

D. Jubilee is a "Declarant affiliate" as that term is used in the Supplemental Declaration and by means of a Special Warranty Deed recorded in Book 362, Page 13630 in the Recording Office on September 19, 2008, Jubilee succeeded to the interest of Jenamar as the Declarant and Class B Member under the Supplemental Declaration.

E. The Class B Control Period is still in effect and this Second Amendment is not a material amendment within the meaning of Section 14.E. of the Supplemental Declaration.

2. Definitions. Capitalized terms used but not defined in this Second Amendment have the meanings given to them in the Supplemental Declaration.

3. Amendment. The Supplemental Declaration is Amended as follows:

A. All references to "Declarant" or "Class B Member" in the Supplemental Declaration are amended to be references to Jubilee as the successor in interest to Jenamar as the Declarant and the Class B Member.

B. Section 8.E of the Declaration is deleted in its entirety and the following is substituted in its place:

E. Limited Exemption from Age Restriction.

Notwithstanding the age restrictions or other provisions of this Declaration, Declarant reserves the right to sell Lots to Persons forty-five (45) years of age and older, provided that such sales do not affect the Community's compliance with the applicable state and federal laws under which the Properties may be developed and operated as an age-restricted community.

4. Ratification. As amended by this Second Amendment, the Supplemental Declaration is ratified and affirmed.

[SIGNATURE ON NEXT PAGE]

Dated: Feb. 17, 2009.

JUBILEE LOS LUNAS, LLC,
a Delaware limited liability company

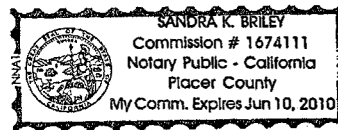
By Mark Kaplan
its MANAGING MEMBER

STATE OF CA
COUNTY OF Placer

This instrument was acknowledged before me on February 17, 2009,
by Mark Kaplan, as Managing Member of
Jubilee Los Lunas, LLC, a Delaware limited liability company.

Sandra K. Briley
Notary Public

6/10/2010
My commission expires:



Rio Grande Title File # 2503240
Closer: mb
Branch: main

VALENCIA COUNTY
TINA GALLEGOS, CLERK
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Book 360 Pg 14040
1 of 6
07/19/2006 03:59:54
BY HDELEON

**MEMORANDUM OF
INSTALLMENT PURCHASE AND SALE AGREEMENT
AND RECOGNITION AGREEMENT**

This Memorandum of Installment Purchase and Sale Agreement and Recognition Agreement ("Memorandum") is made as of the 18 day of July, 2006 by and among **JENAMAR COMMUNITIES, LLC**, a Nevada limited liability company ("**Jenamar**"), **CURB SOUTH, LLC**, a New Mexico limited liability company ("**Curb**"), and **HUNING LIMITED PARTNERSHIP**, a New Mexico limited partnership ("**Huning**").

WHEREAS, Curb and Jenamar Communities, LLC are the parties to that certain Installment Purchase and Sale Agreement dated April 6, 2005 (the "**Purchase Agreement**");

WHEREAS, on even date herewith, pursuant to the terms of the Purchase Agreement, Curb has sold to Jenamar's assignee, Jenamar Jubilee, Inc., a Washington corporation ("**Jenamar Jubilee**") and Jenamar Jubilee has purchased from Curb the following described property (the "**Closed Property**"):

Tract 5 as shown and described on the Summary Plat of Tracts 1 thru 6 and Tracts G-1 and J Lands of Huning Limited Partnership filed in the Valencia County, New Mexico real estate records on January 31, 2006, in Book J, Page 647.

WHEREAS, pursuant to the Purchase Agreement, Jenamar has the right to purchase the parcels generally shown as Tracts 1, 2, 3 and 4 on Exhibit "A" attached hereto (the "**Future Purchase Tracts**") which constitute all or a portion of the following properties:

Tract 6 as shown and described on the Summary Plat of Tracts 1 thru 6 and Tracts G-1 and J Lands of Huning Limited Partnership filed in the Valencia County, New Mexico real estate records on January 31, 2006, in Book J, Page 647

and

Tract 1-E as shown and described on the Subdivision Plat of Tracts 1-A thru 1-I Lands of Huning Limited Partnership filed in the Valencia County, New Mexico real estate records on June 9, 2006, in Cabinet J, Page 692.

WHEREAS, pursuant to the Purchase Agreement, Curb is purchasing portions of the following described property to the extent required for the development of the property being purchased by Jenamar (the "**Amenity Property**"):

A portion of Tracts G-1 (±9.7 acres) Lands of Huning Limited Partnership filed in the Valencia County, New Mexico real estate records on January 31, 2006, in Cabinet J, Page 647.

WHEREAS, pursuant to the Purchase Agreement the outside date for the purchase for all of the Future Purchase Tracts by Jenamar is June 1, 2009, subject to any extension rights provided for therein.

WHEREAS, Curb has a contract to purchase the Future Purchase Tracts from Huning which has agreed to recognize Jenamar's right to purchase the Future Purchase Tracts pursuant to the terms of that certain Recognition Agreement entered into by and between Huning and the Original Purchaser dated June 30, 2005 (the "**Recognition Agreement**").

NOW, THEREFORE, notice is hereby given of Jenamar's right to purchase the Future Purchase Tracts, Curb's obligation to purchase the Amenity Property pursuant to the terms of the Purchase Agreement, and Huning's obligation to recognize Jenamar's right to purchase the Future Purchase Tracts and the Amenity Property pursuant to the terms of the Recognition Agreement. Further information regarding the terms of the Purchase Agreement and the Recognition Agreement can be obtained from the following:

Curb South, LLC
Attention: Stan Strickman, Manager
5160 San Francisco NE
Albuquerque, New Mexico 87109
Phone: 1-505-875-1721
Fax: 1-505-875-1723

VALENCIA COUNTY
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2 of 6
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BY HDELEON

Jenamar Communities, LLC
Attn: Jonathan Cohen
8780 Auburn-Folsom Road
Granite Bay, CA 95746
Phone: 1-916-782-1177
Fax: 1-916-782-1155

Huning Limited Partnership
Attn: John L. Huning
P. O. Box 178
Los Lunas, New Mexico 87031
Phone: 1-505-865-6251

Executed as of the date and year first set out above.

SIGNATURES TO FOLLOW

JENAMAR COMMUNITIES, LLC, a Nevada limited liability company

By: *Mark Ish*
Its: MANAGING MEMBER

CURB SOUTH, LLC, a New Mexico limited liability company

By: *Stan Strickman*
Stan Strickman, Manager

HUNING LIMITED PARTNERSHIP, a New Mexico limited partnership

By: *John L. Huning*
John L. Huning
General Partner

By: *Louis F. Huning*
Louis F. Huning
Personal Representative of the Estate of
Fred D. Huning, Jr., deceased, General Partner

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

VALENCIA COUNTY
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Book 360 Pg 14040
3 of 6
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BY HDELEON

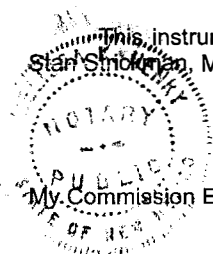
This instrument was acknowledged before me on the 19th day of July, 2006, by the _____ of Jenamar Communities, LLC, a Nevada limited liability company.

Notary Public

My Commission Expires: _____

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

This instrument was acknowledged before me on the 19th day of July, 2006, by
Star Shokman, Manager of Curb South, LLC, a New Mexico limited liability company.



Melissa K. Kelly
Notary Public

My Commission Expires: 7/1/07

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

This instrument was acknowledged before me on the 19th day of July 2006, by
John L. Huning, General Partner and Louis F. Huning, Personal Representative of the
Estate of Fred D. Huning, Jr., deceased, General Partner of Huning Limited Partnership,
a New Mexico limited partnership.



Melissa K. Kelly
Notary Public

My Commission Expires: 7/1/07

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

VALENCIA COUNTY
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Book 360 Pg 14040
5 of 6
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BY HDELEON

State of California

County of Placer

On 7/18/2006 before me, Sandra K. Briley
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Mark Kaplan
Name(s) of Signer(s)

personally known to me

(or proved to me on the basis of satisfactory evidence)



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Sandra K. Briley
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Memorandum of Installment Purchase & Sale Agreement & Reconveyance Agreement

Document Date: July 18, 2006 Number of Pages: 5

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

Signer's Name: Mark Kaplan

- Individual
- Corporate Officer — Title(s): President
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

