



Los Suenos

Homeowners Association, Inc.

- Articles of Incorporation
- Bylaws
- Declaration of Covenants,
Conditions and Restrictions
- Forms

Articles of Incorporation

Los Suenos de Albuquerque
Homeowners Association, Inc.



OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF INCORPORATION

OF

LOS SUENOS DE ALBUQUERQUE HOMEOWNERS ASSOCIATION, INC.

2476596

The Public Regulation Commission certifies that the
Articles of Incorporation, duly signed and verified
pursuant to the provisions of the

NONPROFIT CORPORATION ACT

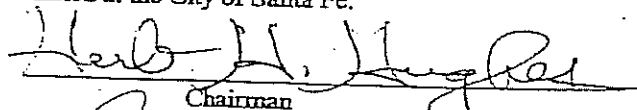
(53-8-1 to 53-8-99 NMSA 1978)

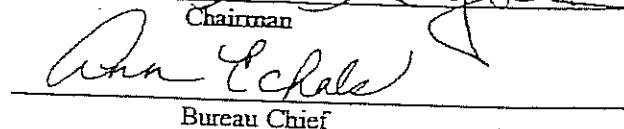
have been received by it & are found to conform to law.

Accordingly, by virtue of the authority vested in it by
law, the Public Regulation Commission issues this
Certificate of Incorporation & attaches hereto, a duplicate
of the Articles of Incorporation.

Dated: JULY 9, 2004

In testimony whereof, the Public Regulation of the State
of New Mexico has caused this certificate to be signed
by its Chairman and the seal of said Commission to
affix at the City of Santa Fe.


Chairman


Bureau Chief

ARTICLES OF INCORPORATION
OF
LOS SUEÑOS DE ALBUQUERQUE
HOMEOWNERS ASSOCIATION, INC.

JUL 12 2004

The undersigned, acting as incorporator of a corporation under the New Mexico Non-Profit Corporation Act, adopt the following Articles of Incorporation for the corporation.

Article I

Section 1.1. *Name.* The name of the corporation is LOS SUEÑOS DE ALBUQUERQUE HOMEOWNERS ASSOCIATION, INC. (the "Association").

Article II

Section 2.1. *Nonprofit.* The Association does not afford pecuniary gain, incidentally or otherwise, to its members.

Article III

Section 3.1. *Duration.* The period of its duration is perpetual.

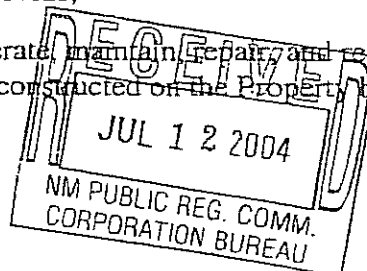
Article IV

Section 4.1. *Purpose.* The purpose for which the Association is organized is to promote and develop the common good and social welfare of owners of lots within LOS SUEÑOS SUBDIVISION (the "Property"), a subdivision in the City of Albuquerque, County of Bernalillo, State of New Mexico which was developed by LOS SUEÑOS, LLC, a New Mexico limited liability company (the "Developer"), and which is more particularly described in the plat filed on July 20, 2001, in the Office of the County Clerk of Bernalillo County, New Mexico in Plat Book 2001C, Folio 209.

Section 4.2. *Application of Protective Covenants.* The Property has been subjected to certain reservations, restrictions, covenants, liens, charges, and conditions by Protective Covenants filed for record on January 29, 2002, in Book A31, Page 2283, in the Office of the County Clerk of Bernalillo County, New Mexico, as amended by Notice of Real Estate Covered By Protective Covenants Imposed Upon Los Sueños, filed for record on June 18, 2004 in Book A79, Page 5043, in the Office of the County Clerk of Bernalillo County, New Mexico (the "Protective Covenants").

Section 4.3. *Corporate powers.* The Association shall have the power:

- a. to take and hold any property, including any Common Areas as may be conveyed to it by Developer;
- b. to administer and enforce the Protective Covenants as the Protective Covenants and the Bylaws of the Association may provide;
- c. to construct, install, extend, operate, maintain, repair, and replace utilities, systems, services, or other improvements originally constructed on the Property by the Developer as the Protective Covenants may provide;



JUN 21 2004

- d. to manage, regulate, and control the Common Areas as the Protective Covenants and Bylaws of the Association may provide.
- e. to sell, convey, dispose of or lease any property;
- f. to exercise and enjoy all powers conferred upon it by the Protective Covenants.
- g. The Association shall have all powers conferred upon it by law unless inconsistent with the provisions of this Article. The Association shall not be organized nor operated for profit, nor shall it participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

Article V

Section 5.1. *Membership.* Every person or entity who is the owner of a fee or of the equitable title in a lot, when purchasing under a real estate contract, and who is subject to assessment, either present or future, by the Association, pursuant to the Protective Covenants, shall be a member of the Association. For the purpose of determining membership, ownership will be deemed to have vested upon delivery of a duly executed deed or contract to the grantee or vendee. The legal title retained by a vendor selling under a real estate contract that is essentially a security device shall not qualify the vendor for membership. Foreclosure of a contract or repossession for any reason of a lot sold under contract shall terminate the vendee's membership, whereupon all rights to membership shall revert in the vendor.

Section 5.2. *Voting rights.* Members shall be all the owners as defined in Section 5.1, including the Developer. Members shall be entitled to one vote for each lot in which they hold the interest required for membership by Section 5.1 as shown by the records of the Association as of the last day of the third month preceding the next membership annual meeting. When more than one person holds such interest or interests in any lot, all such persons shall be members and the vote for the lot shall be exercised as they may among themselves determine, but in no event shall more than one vote be cast for any one lot.

Section 5.3. *Suspension of membership rights.* The membership rights (including voting rights) of any Member may be suspended by action of the Board of Directors if the Member has failed to pay when due any assessment or charge lawfully imposed upon him or any property owned by him, or if the Member, his family, his tenants, or guests of any of them, shall have violated any rule or regulation of the Board regarding the use of any property or conduct.

Article VI

Section 6.1. *Registered office and agent.* The street address of the initial registered office of the Association is 12512 Modesto N.E., Albuquerque, New Mexico, 87122. The name of the initial registered agent of the Association in this state is Fred M. Montano.

Article VII

Section 7.1. *Incorporator.* The name and address of the Incorporator is as follows:

Fred M. Montañó
12512 Modesto N.E.
Albuquerque, New Mexico, 87122

Article VIII

Section 8.1. *Board of directors.* The Association shall have the number of directors as may be determined by resolution of the Board of Directors of the Association. Except as may be otherwise provided for in this Section, each director shall serve for a term of two years. The initial Board of Directors shall consist of three director(s) who shall hold office for a term of two years, or until the election of their successors. The names and addresses of the initial directors are:

Fred M. Montañó	12512 Modesto N.E., Albuquerque, NM, 87122
Steven C. Schumann	5901 J Wyoming Blvd. NE, #307, Albuquerque, NM 87109
Karen Duran	12512 Modesto N.E., Albuquerque, NM, 87122

Section 8.2. *Voting.* Except as herein otherwise specified, the decision of the majority of the directors currently serving shall be required and shall be sufficient to authorize any action on behalf of the Association. Each director shall be entitled to one vote on every matter presented to the Board of Directors.

Section 8.3. *Meetings.* Any meeting of the members or of the Board of Directors of the Association may be held in or outside the State of New Mexico.

Article IX

Section 9.1. *Liquidation into successor organization.* Upon dissolution or other termination of the Association, no part of the property of the Association, nor any of the proceeds of the property, shall be distributed to the members of the Association as such, but all the property and proceeds shall, subject to the discharge of valid obligations of the Association, be distributed as directed by the members of the Association to the governing body of any community or communities for the welfare of which the Association shall have been operated or to one or more corporation or other organization not organized for profit and operated exclusively for the promotion of social welfare, and which does not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

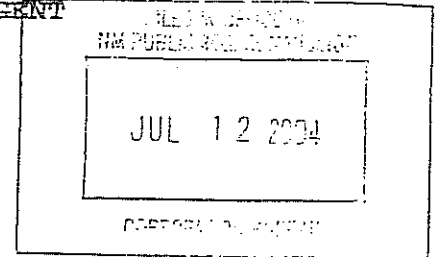
IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 16th day of June, 2004.



Fred M. Montañó

STATEMENT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT
OF NONPROFIT CORPORATION

To the New Mexico Public Regulation Commission
State of New Mexico

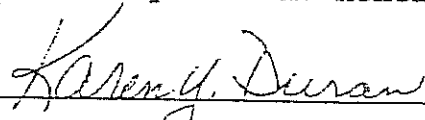


STATE OF NEW MEXICO)
) SS.
COUNTY OF BERNALILLO)

The undersigned hereby accepts appointment as the initial Registered Agent of LOS SUEÑOS DE ALBUQUERQUE HOMEOWNERS ASSOCIATION, INC., which is named in annexed Articles of Incorporation, and which is applying for a Certificate of Incorporation as a nonprofit corporation, pursuant to the provisions of the Nonprofit Corporation Act of the State of New Mexico.


REGISTERED AGENT

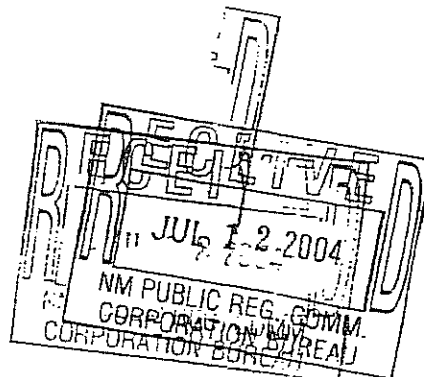
Acknowledged before me on June 16, 2004 by Fred M. Montaño.


Notary Public

My Commission Expires:

October 13, 2006

FAL01021/STATEMENT OF ACCEPTANCE.DOC



JUN 21 2004

Bylaws

Los Suenos de Albuquerque
Homeowners' Association, Inc.

BYLAWS OF
LOS SUEÑOS DE ALBUQUERQUE
HOMEOWNERS ASSOCIATION, INC.

Article I

Definitions

1.1 *Definitions.* In these bylaws:

"Association" means the Los Sueños de Albuquerque Homeowners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of New Mexico.

"Protective Covenants" means the Protective Covenants applicable to the Property filed for record on January 29, 2002, in Book A31, Page 2283, in the Office of the County Clerk of Bernalillo County, New Mexico, as amended by Notice of Real Estate Covered By Protective Covenants Imposed Upon Los Sueños, filed for record on _____, 2004 in Book _____, Page _____, in the Office of the County Clerk of Bernalillo County, New Mexico.

"Property" means any property subject to the Protective Covenants.

Article II

Location

2.1. *Principal office.* The principal office of the Association shall be located at 12512 Modesto NE, Albuquerque, New Mexico 87122, until changed by the Board of Directors.

Article III

Membership

3.1. *Eligibility.* The Members of the Association are determined by Article V of its Articles of Incorporation. The rights of Members are subject to (a) the payment of the assessments made by the Board of Directors in accordance with the Protective Covenants, and (b) compliance with the Protective Covenants and the rules and regulations of the Board of Directors regarding the use of the Property and the conduct of Members, their families, their tenants, and the guests of any of them.

3.2. *Suspension.* The voting and other membership rights of any Member may be suspended by action of the Directors during any period when the Member has failed to pay any Annual or Special Assessments then due and payable; but, upon payment of all the past due Assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Property, or any Common Areas, or the personal conduct of any person thereon, the voting or other membership rights of any Member may be suspended by action of the Board of Directors, after a hearing before the Board at which the member or any other interested person may be represented by attorney, for a period not to exceed 30 days, if he, any member of his family, his tenants, or the guests of any of them shall have violated such rules and regulations.

3.3. *Rights of membership.* Each Member is entitled to the use and enjoyment of the Property and Common Areas in accordance with the Protective Covenants. Membership rights may be delegated to and exercised by all members of his family who reside upon the Property, any of his tenants who reside there under a lease for a term of one year or more, and the guests of any of them. Each Member shall notify the Secretary of the Association in writing of the name and relationship to the member of any person who is entitled to exercise membership rights under this Section. The rights and privileges of such person are subject to suspension by the Board in the same manner and for the same reasons as those of any Member under the preceding Section.

Article IV

Meetings of Members

4.1. *Annual meetings.* The Annual Meeting of the Members shall be held at the office of the Association specified in Article II or at any other address specified in the Notice of the Meeting, on the last Thursday in July in each year, at the hour of 11:00 a.m., commencing on the last Thursday in July of the year 2004.

4.2. *Special meetings.* Special meetings of the Members for any purpose may be called at any time by the President, the Executive Vice President, or by twenty five percent (25%) or more of the Directors. The Secretary shall call a special meeting upon written request of the members who have a right to vote one-fourth of all of the votes of the entire membership.

4.3. *Notices.* Notice of meetings shall be given to the Members by the Secretary. Notice may be given to the Member either personally, or by mailing a copy of the notice, postage prepaid, to the address appearing on the books of the Corporation. (Each Member shall register his address and any change in address with the Secretary.) Notice of any meeting, regular or special, shall be mailed not less than ten nor more than 50 days in advance of the meeting and shall set forth the purposes of the meeting.

4.4. *Proxy voting.* At any membership meeting the presence, whether in person or by proxy, of Members entitled to vote not less than 10 percent of the total membership vote, shall constitute a quorum for the transaction of business. All proxies shall be in writing and be filed with the Secretary at the commencement of the meeting. Any proxy given by a person who shall not be a qualified Member at the date of the meeting and any proxy given more than 11 months before the date of the meeting shall be void.

Article V

Board of Directors

5.1. *Number and Terms.* The number of directors and their terms shall be fixed by the Bylaws. The initial Board of Directors shall consist of three Members who shall serve two year terms. Except for the initial members of the Board of Directors, each director shall be a Member of the Association in good standing.

5.2. *Membership and powers.* The Association shall be governed by a Board of Directors in accordance with Article VIII of the Articles of Incorporation of the Association. Without limiting the generality of the preceding sentence, or any power vested in it by law, the Board of Directors shall have the power:

- a. to appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them security or fidelity bonds as it may deem expedient (nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever);
- b. to establish, levy, assess and collect the Annual or Special Assessments and all other Assessments referred to in the Protective Covenants;
- c. to adopt and publish rules and regulations governing the use of the Property and Common Areas, and the personal conduct of Members, their family, their tenants, and their guests with respect thereto;
- d. to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those expressly reserved to the Members; and
- e. in the event any member of the Board of Directors of this Association shall be absent from three consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting in which the third absence occurs declare the office of the absent Director to be vacant.

5.3. *Duties.* It shall be the duty of the Board of Directors:

- a. to cause to be kept a full, true and accurate record of its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members or at any special meeting when requested in writing by one-fourth of the full membership;
- b. to supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. in accordance with the Protective Covenants, (i) to fix the amount of the Annual Assessment against each lot or living unit as soon as may be practicable after the beginning of each calendar year and in any event before April 1; (ii) to prepare a roster of the properties and Annual or Special Assessments applicable to each of the properties which shall be kept in the office of the Association and shall be open to inspection by any Member; and (iii) to send written notice of each assessment to every Owner subject to assessment;
- d. to issue or to cause an appropriate officer to issue, upon demand by any person a certificate stating whether any Annual or Special Assessment has been paid, which shall be conclusive evidence that any charge stated therein has or has not been paid.

5.4. *Vacancies.* Vacancies in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. If there are no remaining Directors the vacancy shall be filled by the affirmative vote of a majority of Members at a special meeting held after notice in accordance with these Bylaws. Any such appointed Director shall hold office for the unexpired term of his predecessor in office.

Article VI

Directors' Meetings

- 6.1. *Annual meetings.* The Annual Meeting of the Board of Directors shall be held immediately following adjournment of the Annual Meeting of the Members in each year.
- 6.2. *Triannual meetings.* A regular meeting of the Board of Directors shall be held at the office of the Association specified in Article II on the third Monday of the months of January, April and October at 7:00 p.m.; provided that the Board of Directors may, by resolution, change the day and hour or the place of holding the regular meeting. If the day of the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday.
- 6.3. *Notices; waiver.* No notice need be given for the Annual or any regular meeting of the Board. Notice of any special meeting shall be sufficient if mailed to each Director, postage prepaid, at his address as it appears on the records of the Association, at least three days before the meeting or given personally or by telephone not later than the day before the meeting. No notice need be given to any Director who attends the meeting, or to any Director who in writing (before or after the meeting) waives such notice.
- 6.4. *Special meetings.* Special meetings of the Board of Directors shall be called by the Secretary upon request by any officer of the Association or by any two Directors. The action of a majority of the Board, although not at a regularly called meeting, shall be valid and effective in all respects if the record of the meeting shall be agreed to in writing by all members of the Board.
- 6.5. *Quorum.* At all meetings of the Board a majority of the Board of Directors shall constitute a quorum, and, except as otherwise provided by law or by the Bylaws, the act of a majority of the Directors present shall be the act of the Board.

Article VII

Election of Directors.

- 7.1. *Ballots.* The election of Directors shall be by written ballot. At each Annual Meeting or at any special meeting called for the purpose of electing Directors, the Members or their proxies may cast, in respect of

each vacancy, as many votes as they are entitled to cast under the Articles of Incorporation of the Association. The nominees receiving the largest number of votes shall be elected.

7.2. *Nominations; nominating committee.* Nominations for election to the Board of Directors shall be made by the Nominating Committee, which shall consist of a Director, who shall be the Chairman, and one or more Members of the Association, or an officer of a corporate member. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members to serve during such Annual Meeting and until the next Annual Meeting or until its successor shall have been duly designated and qualified. The members of the Nominating Committee shall be announced at each Annual Meeting of the Members.

7.3. *Nominees.* The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies to be filled. Nominations shall be made from among Members. Nominations shall be placed on a written ballot and shall be made in advance of the time fixed for the mailing of such ballots to the Members.

7.4. *Procedure.* All elections of the Board of Directors shall be made on written ballots which shall (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for the vacancies; and (c) contain a space for a write-in vote by the members for each vacancy. The ballot shall be prepared and mailed by the Secretary to the Members in good standing at least 14 days in advance of the date set forth therein for a return (which shall be a date not later than the day before the Annual Meeting or any special meeting called for the purpose of electing Directors). Ballots shall be sent to Members who, at the date of mailing the ballots are delinquent in the payment of any Annual or Special Assessments, together with a notice to such persons that they shall not be entitled to vote unless and until all such delinquencies are cured.

7.5. *Voting.* Each Member shall be mailed a ballot on which he may cast the number of votes to which he is entitled. The completed ballot shall be returned in the manner hereinafter outlined. The ballot shall bear on its face the name and signature of the Member, the number of votes being cast and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes stated therein. The ballot shall be returned to the Secretary at the address clearly designated by the Secretary.

7.6. *Processing.* Upon the receipt of each return, the Secretary shall immediately place it in a safe place. Not more than 21 days prior to the day set for the meeting at which the elections are to be held, the envelopes shall be turned over, unopened, to an Election Committee which shall consist of three persons appointed by the Board of Directors. All returns thereafter received by the Secretary on or before the date set for a return shall accordingly be turned over to the Election Committee. The Election Committee shall adopt a procedure which shall (a) establish that the Member is entitled to cast either personally or by proxy, the number of votes indicated on the ballot; and (b) that the signature of the Member on the ballot is genuine; and (c) if the vote is by proxy, that the proxy has been filed with the Secretary as provided in Section 4.4, and that the proxy is valid. After the procedure has been completed for a ballot the count of the vote shall be taken. All ballots and proxies as well as any continuing tally of the votes shall be kept by the Election Committee, when not being processed, in a safe place. The ballots shall be retained for 90 days after the meeting and then destroyed.

Article VIII

Officers

8.1. *Offices.* The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. The President and Secretary shall be members of the Board of Directors.

8.2. *Election by board of directors.* All officers shall be elected at the Annual Meeting of the Board, and each officer shall hold office until the next Annual Meeting of the Board and until his successor shall have been duly elected and qualified or until his earlier death, resignation, or removal in accordance with the Bylaws. The officers shall be chosen by a majority vote of the Directors.

8.3. *President; duties.* The President shall be the chief executive officer of the Association and as such shall have general supervision of the affairs and property of the Association and over its several officers, subject to the direction of the Board of Directors. The President shall, if present, preside over all meetings of the Board of Directors, and shall generally do and perform all acts incident to the office of President. He may sign in the name and on behalf of the Association all notes, leases, mortgages, deeds and all other written instruments authorized by the Board, except where the Board shall delegate the execution thereof to some other officer or agent of the Association.

8.4. *Vice President; duties.* The Vice President shall perform all of the duties of the President in the event of his absence or disability, and when so acting shall have all of the powers and be subject to all restrictions placed upon the President.

8.5. *Secretary; duties.* The Secretary shall act as Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record the names and addresses of all Members of the Association, shall see that all notices are duly given as required by the Bylaws or applicable law, and shall be the custodian of the corporate seal.

8.6. *Treasurer; duties.* The Treasurer shall receive and deposit in bank accounts approved by the Board all moneys of the Association and shall disburse such funds as directed by a resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for the disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association.

8.7. *Books and accounting.* The Treasurer shall keep proper books of account and cause an annual audit of the Association's books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its Annual Meeting.

Article IX

Committees

9.1. *Standing committees.* Standing committees of the Association shall be the Nominating Committee, and such other committees as may be created by the Board. Unless otherwise provided herein each committee shall consist of a Chairman and two or more members as determined by the Board, at least one of whom shall be a Director. Each committee shall be appointed by the Board of Directors at its annual meeting to serve until the next Annual Meeting of the Board and until its successor has been duly elected and qualified, except that the Nominating Committee shall be appointed in accordance with Section 7.2. The Board of Directors may appoint such other committees as it deems desirable.

9.2. *Nominating committee.* The Nominating Committee shall have the duties and functions described in Article VII.

Article X

Books and Records

10.1. *Inspection.* The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member upon at least five days prior written notice..

Article XI

Corporate Seal

11.1. *Association seal.* The Association shall have a seal in circular form having within its circumference the words Los Sueños De Albuquerque Homeowners' Association, Inc., a New Mexico nonprofit corporation incorporated 2004.

Article XII

Amendments

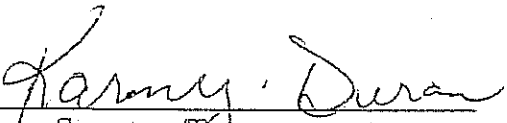
12.1. *Amendment procedure.* These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of the majority of a quorum of the Members present in person or by proxy, provided that those provisions of these Bylaws which are covered by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact covered by the Protective Covenants may not be amended except as provided in the Protective Covenants.

12.2. *Controlling documents.* In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Protective Covenants and these Bylaws, the Protective Covenants shall control.

IN WITNESS WHEREOF, these Bylaws have been duly adopted by unanimous consent of the Board of Directors, and executed by two duly authorized officers of the Corporation, this _____ day of June, 2004.



President



Secretary/Treasurer

Declaration of Covenants, Conditions and Restrictions

Los Suenos de Albuquerque
Homeowners' Association, Inc.

Los Suenos Protective Covenants

EXHIBIT "C"

PROTECTIVE COVENANTS

IMPOSED UPON

Los Suenos

ALBUQUERQUE, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, Los Suenos, LLC (the "Developer"), being the owner of a tract of land located in the City of Albuquerque, Bernalillo county, New Mexico, more particularly described as follows (the "Property"):

The property legally described in Exhibit "A" attached hereto and made a part of hereby makes the following declarations as to the limitations and restrictions placed upon the above-described lots and uses to which the above-described lots may be put (the "Protective Covenants"); hereby specifying that said Protective Covenants shall constitute covenants to run with said land, and shall be binding upon all parties and all persons claiming under them and for the benefit of and limitations upon all future owners of said lots (each a "Lot Owner"). Nothing herein contained shall limit the right of the undersigned to use other portions of said subdivision or other lands contiguous to or near the above-described land for purposes other than residences, or to impose restrictive covenants thereon, which are less stringent than those stated herein.



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FILED date January 29, 2002 7:12 AM 1st Floor

Attachment 4

Los Suenos Protective Covenants

1. LOT DIVISION:

No lot shall be split or further subdivided so as to reduce the area thereof, except as necessitated by correction of encroachments or other boundary deficiencies caused by errors in surveying and/or construction. Except that the ponds may be replated into lots.

2. LAND USE AND BUILDING TYPE:

No lot or any portion thereof shall be used except for single-family residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one (1) single-family detached dwelling. Each dwelling unit shall have an attached private garage for no fewer than two (2) nor more than three (3) cars, carports are not allowed in this subdivision. All lots within the subdivision shall not exceed (a) the lesser height of twenty-six feet (26) in height above highest finished grade of the residential lot, except for chimneys and television antennae of reasonable size, or (b) the height equal to building height limitations to preserve solar access provided in the ordinances of the City of Albuquerque. Lots with two (2) pad elevations (split level) may exceed two (2) stories but shall not exceed twenty six (26) feet in height from the curb elevation on that lot as defined on said grading plan. For purposes of this paragraph, a garage shall be considered to be part of the dwelling to which it is attached. These standards are to be in effect unless modified by the Architectural Control Committee.

3. TEMPORARY USES:

Any lot or portion thereof may be used as a sales office, model home complex, or storage and construction yard during the construction and sales period. All temporary uses as defined herein must have the prior written approval of the Architectural Control Committee, which shall establish written requirements therefor.

4. BUILDING LOCATION:

No building shall be located on any lot in such a manner as to violate the City of Albuquerque Zoning Ordinance(s), Subdivision Regulations, or any other public ordinance adopted by any governmental authority having jurisdiction over the lots which might pertain to building construction and/or location. The minimum building setback for the dwelling shall be not less than fifteen (15) feet and the minimum building setback for the garage shall be not less than (a) twenty (20) feet from the front property line and five (5) feet from either side property line; or (b) the front yard and side yard setback requirements imposed by the ordinances of the City of Albuquerque,



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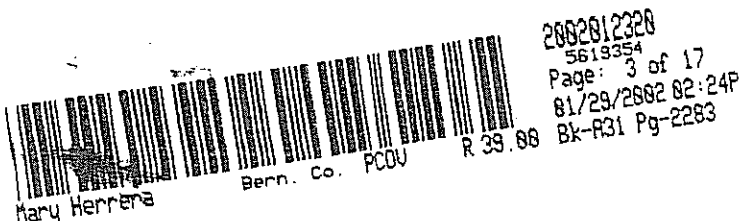
or as permitted by Special Exceptions to the Comprehensive City Zoning Code. Any Lot Owner proposing to build improvements on his lot must obtain approval from the city of Albuquerque for the proposed plan for compliance with all applicable ordinances in effect at that time regarding building height and front and side yard setbacks. For the purpose of this paragraph eaves, steps, patios, walkways and open porches shall not be considered as part of a building. In no case shall eaves, steps, patios, walkways or open porches encroach upon another lot.

5. DWELLING SIZE:

The heated area within the structure of any dwelling, exclusive of porches, garages or other appurtenant structures, shall not be less than 1,080 square feet. In the case of residences of more than one story, not less than 500 square feet shall be on the ground floor. In cases of multiple-level dwellings, the Architectural Control Committee shall conclusively determine what constitutes ground floor area as distinguished from basement or other non-ground floor areas.

6. Architectural standards:

No building, garage, block wall, basement, shed, outbuilding or other structure of any kind, weather permanent or temporary, shall be erected, place or altered on any lot until construction plans and specifications, and a plan showing the location of the structure, have been approved by the Architectural Control Committee as to quality of materials, harmony of external design with existing structures, and as to the location of the building with respect to topography, setback requirements and finish grade elevations. All construction, weather new completed within six (6) months from the date of commencement. No lot shall be used for the storage of materials for a period greater than thirty (30) days prior to the start of construction and during the construction period. All shall be maintained in a neat, orderly condition at all times. No existing building shall be altered, remodeled or changed until the plans for such change, alliteration or remodeling have been approved by the Architectural Control Committee. No garage may be used as a residential area, and may not be used or altered to a size smaller than is necessary to accommodate two (2) full-sized automobiles, without the prior written consent of the Architectural Control Committee. No clotheslines or paraphernalia for outside drying of clothes are permitted. All front yard landscaping shall be complete within six months (6) year from issuance of the certificate of occupancy for each dwelling and shall be designed and constructed as to compliment and enhance the subdivision.



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7. ANTENNAE:

No antennae (amateur radio, citizen's band radio,) or other, except television antennae of reasonable size or satellite dish (provided the dish is less than 18" in diameter and eve mounted), shall be erected upon any lot or dwelling exterior without the prior written approval of the Architectural Control Committee.

8. NUISANCES:

No noxious or offensive activity or use contrary to the laws of the United States of America or the State of New Mexico, or the ordinances of the City of Albuquerque or any other governmental authority having jurisdiction shall be carried on upon any lot: nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

9. TEMPORARY STRUCTURES:

No structure of a temporary character (motor home, camper, trailer, boat, recreational vehicle, tent, shack, garage, barn, storage shed or other outbuilding) shall be stored, used erected or constructed on any lot without the prior written approval of the Architectural Control Committee. In no case shall any of the above-mentioned structures be used as a residence, either temporarily or permanently. No campers, house trailers, motor homes, recreational vehicles, or trucks over 3/4 ton shall be stored or parked on any lot except while parked in a closed garage; boats may be stored behind a screened wall or gate to the rear of the lots. No vehicle shall be permitted to be parked permanently on any street within the subdivision. No vehicle of any type may be repaired on any lot except while parked in a closed garage.

10. DRAINAGE AND UTILITY EASEMENTS:

Fences and walls shall be in conformance with all applicable zoning and building ordinances, and any other public ordinances pertaining thereto, and in addition;

a.) No fence or wall, except necessary walls of minimum height, or architectural walls approved with the original construction, shall be erected or allowed to remain nearer the from property line than the front of the building.

b.) On corner lots, no side street fence or wall, except retaining walls of minimum height, or architectural walls approved with the original construction shall be erected or allowed to remain nearer the front property line than the front of the building.

c.) Side-yard and rear-yard fences or walls of cement block and similar color as original construction (tan or brown) construction are required, and shall



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not be less than four feet (4') in height above finished grade at the property line. All side-yard and rear-yard fences shall be constructed on the property lines.

d.) The Lot Owner of the lot upon which a perimeter wall may be located shall be responsible for maintaining the wall in an attractive and safe manner for that portion of the wall located on the Lot Owner's property.

f.) The Architectural Control Committee must approve all fences and walls or changes to walls and fences.

g.) All improvements shall be constructed so as not to adversely affect any of the improvements constructed pursuant to that certain Agreement Establishing Wall and Drainage Improvements dated _____, 2001, by and between Los Suenos, LLC and Dunlop Partnership, recorded in the real estate records of Bernalillo County, New Mexico on _____, 2001 as Document No. _____ (the "Wall Agreement").

11. RETAINING WALLS:

Retaining walls shall be party walls if placed on the common property line of two lots and shall not be removed by either Lot Owner, nor the color altered by either Lot Owner without the consent of the other.

12. SIGHT TRIANGLE AT INTERSECTIONS.

No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between a height of three feet (3') and a height of eight feet (8') above the roadways in the contemplated subdivision, shall be placed or permitted to remain on any corner lot within the triangular area formed by the street right-of-way lines and a line connecting them at points twenty-five feet (25') from the intersection of the street lines or, as in the case of rounded property corners, from the intersection of the street right-of-way lines extended unless approved by the City of Albuquerque and Architectural Control Committee. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

13. SIGNS.

No sign of any kind shall be displayed to the public view on any lot except one non-illuminated sign of not more than five (5') square feet, advertising the property for sale or rent. Additional signs may be used by a builder or realty office to advertise the property during the construction and sales period, subject to the prior-written approval of the Architectural Control Committee as provided in this Agreement.



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Seller/Developer or its successors in interest may construct signs reasonable necessary for subdivision identification and direction.

14. LIVESTOCK, POULTRY AND PETS.

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except dogs, cats, or other non-exotic household pets. No animal, fowl, fish or reptile of any kind may be kept, bred or maintained for any commercial purpose.

15. GRADING.

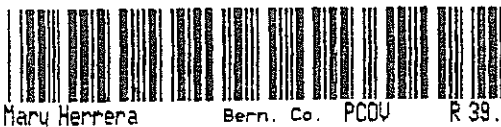
No lot may be landscaped or regraded in such a manner as to cause the drainage characteristics of the lot to differ materially from the approved grading plan; and in no case shall the drainage characteristics be modified in such a way as to cause damage to adjacent properties. Seller acknowledges that at closing the grades have been certified as built to City approved grading plans and at closing the lot is being delivered with these City grades in place. Back yard grading is part of the approved drainage plan and shall not be changed.

16. MAINTENANCE OF LOTS:

Lot Owners of vacant lots and owners of residences will be responsible for keeping the lots cleared and free of all weeds, trash and other detracting conditions. If owner does not maintain the lots then the association may have the work done and invoice the lot owners which invoice the lot owner will pay within 30 days.

17. TREES.

Each Lot Owner shall comply in all respects with the Albuquerque Street Tree Ordinance, B-5-1, City of Albuquerque Revised Ordinances (1974) as said ordinance exists as of the date of these Protective Covenants are filed for record (herein the "Street Tree Ordinance"). The Lot Owners shall submit a street tree plan as required by the Street Tree Ordinance, shall plant, trim and maintain trees as required thereby and shall replace dead trees as required thereby. The initial Lot Owner shall be required to install one tree between the sidewalk and the curb near the front street. Thereafter, each Lot Owner shall be responsible for the maintenance and watering of each such tree. In the event that such tree dies and the Lot Owner fails to replace such tree, the Association shall have the right to remove such dead tree, plant a new tree, and charge all the costs thereof to the Lot Owner. This covenant may be enforced in accordance with enforcement provisions of these Protective Covenants.



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18. ARCHITECTURAL CONTROL COMMITTEE:

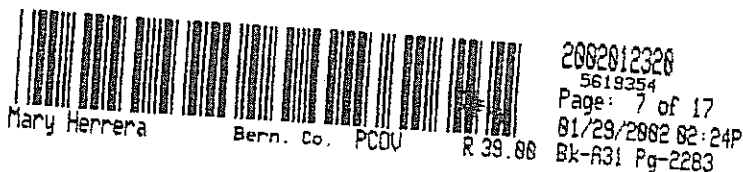
The Architectural Control Committee is initially composed of one representative of Home Builder or Builders and remaining members from the Developer. Upon death, resignation or removal of the Developer, the Association shall have full authority to designate a successor(s). Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services rendered pursuant to this Covenant. Any members of the Committee may be removed at any time by a majority of the committee, with or without cause. The Architectural Control Committee shall be authorized to designate an individual or individuals to take any action, which could be taken by the Committee as a whole. Any member shall be able to act on the behalf of the Committee.

All requests for approval required or allowed hereunder shall be submitted to the Committee in writing, together with all documentation reasonably necessary for the Committee to act on the request. The Committee may request additional information should the same be deemed necessary.

The Committee's approval or disapproval as required in these Covenants shall be in writing. In the event the Committee or its designated representative fails to approve or disapprove in writing within fifteen (15) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction of projects previously submitted to the Architectural Control Committee has been commenced prior to the completion thereof, approval will not be required and the related Covenants shall be deemed to have been fully complied with.

In the event no member remains on the Architectural control Committee new members to the Committee can be chosen in the following manner: upon written request of ten percent (10%) of the Lot Owners, a meeting shall be held for the purpose of selecting one or more members to the Committee. Reasonable diligence shall be used to notify the persons owning lots within said subdivision of the time and Place of the meeting, and the purpose thereof.

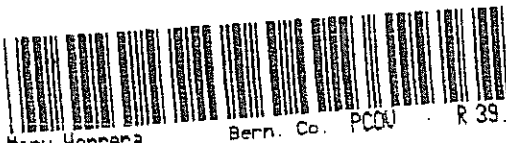
At such meeting, up to five (5) persons may be selected as members of the Committee. Each Lot Owner shall have one (1) vote, and the five (5) persons receiving the most votes shall be selected as members of the Committee.



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19. ASSOCIATION:

- A. Prior to the expiration of the term of the Development Period (as defined below), Developer shall convey to the Los Suenos Homeowners Association (the "Association") fee simple title to the Common Areas located upon the Property, subject to current real property taxes and reservations, easements, covenants and conditions and restrictions then of record, including those set forth in these Protective Covenants. Such conveyance shall not relieve Developer of its responsibility to complete the initial development of the Common Areas to be located upon the Property within a reasonable time thereafter.
- B. The Property shall be administered by the Association, acting by and through its Board of Directors, who shall be elected in accordance with the Bylaws, and whose duties will be governed by the terms of these Protective Covenants, the Articles and the Bylaws. However, the Association may employ a professional management agent to perform, subject to the supervision of the Board of Directors, such duties and services as the Board of Directors shall direct, including, but not limited to, management of the Common Areas and the collection of and accounting for assessments made by the Association. Any such management agreement shall provide for a rate of compensation to be established and/or approved by the Board of Directors, and shall further provide for the right of the Association to terminate the same without cause upon not more than thirty (30) days written notice and immediately for cause.
- C. The Association, acting by and through its Board of Directors, shall be responsible for the proper and efficient management and operation of the Property as more particularly described herein. The Association shall be responsible for:
- (1) landscaping and installing watering systems upon the Common Areas not improved as roadways;
 - (2) operating, maintaining (including insuring) and rebuilding, if necessary, all signs, walls, retaining walls, rock facing and other improvements originally constructed by Developer or thereafter constructed by the Association, including but not limited to improvements constructed pursuant to the Wall Agreement;
 - (3) paying real estate taxes, assessments and other charges against the Common Areas conveyed or to be conveyed to the Association as herein contemplated;
 - (4) insuring all improvements which the Association is obligated to maintain against damage by fire or other insurable casualty with such companies and with such limits as the Association deems appropriate;



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- (5) hiring, firing, supervising and paying employees and independent contractors including, but not limited to, workers, landscaping personnel, attorneys, accountants, architects and contractors to carry out the obligations set forth herein and in the Bylaws of the Association;
- (6) maintaining such liability insurance as the Association deems necessary to protect the Association and the Board of Directors of the Association from any liability from occurrences or happenings on or about the Common Areas (including, but not limited to, errors and omissions insurance for the Board of Directors of the Association);
- (7) maintaining worker's compensation insurance for the employees of the Association;
- (8) purchasing all goods, supplies, labor and services reasonably necessary for the performance of the obligations set forth herein;
- (9) enforcing the provisions of these Protective Covenants including, but not limited to, the use restrictions provided for herein and the Architectural Control provisions provided for herein;
- (10) establishing and maintaining such cash reserves as the Association deems reasonably necessary for the maintenance, repair and replacement of any portion of the Common Areas for which it is responsible to maintain and for unforeseen contingencies;
- (11) providing and paying for all utility services to the Common Areas;
- (12) entering into such agreements and taking such actions as are reasonably necessary and convenient for the accomplishment of the obligations set forth above and the operation and maintenance of the Property as a quality residential development.

D.

Notwithstanding anything in these Protective Covenants to the contrary, in the event the need for maintenance, repairs or replacements required to be performed by the Association shall be caused by the negligent or tortious acts or neglect of a Lot Owner, or a Lot Owner's agent, employee, invitee, licensee or tenant, then such Lot Owner shall be responsible for all of such damage, which shall be considered a Special Expense. Furthermore, notwithstanding anything in these Protective Covenants to the contrary, the Association shall not be liable to any Lot Owner for any delay in the completion of any repair, restoration or replacement due to causes beyond the reasonable control of the Association, its contractors or subcontractors. Specifically, the Association shall not be liable for delay occasioned by weather, shortage or unavailability of materials and strikes or work stoppages.



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- E. Each Lot Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of a lot. Ownership of a lot within the Property shall be the sole qualification for membership. The membership held by an Owner shall not be transferred, pledged or alienated in any way, except upon the sale of a lot, and then only to the purchaser of such lot. Any attempt to make a prohibited transfer is void, and will be reflected upon the books and records of the Association. Evidence of transfer of membership shall be furnished to the Association in the form of a certified copy of the recorded conveyance of a lot signed by the current Lot Owner thereof as reflected upon the books and records of the Association. Members shall have the voting rights as set forth in the Bylaws of the Association. The voting rights of any Member shall be automatically suspended during any period during which such Member shall be delinquent in the payment of assessments due the Association.
- F. The Board of Directors of the Association shall have the authority, from time to time, to make reasonable rules and regulations regarding the use and enjoyment of the Common Areas which are not inconsistent with these Protective Covenants or the Articles or Bylaws of the Association which rules and regulations shall be binding upon all Lot Owners.

20. ASSESSMENTS; LIEN:

- A. The Board of Directors shall have the responsibility and authority to assess the Lot Owner of each lot for Common Expenses and, as applicable, Special Expenses, and the Lot Owners shall be personally liable for the payment of such assessments levied during the time any such Lot Owner owns a lot within the Property. The assessment applicable to each lot shall be a charge and continuing lien upon such lot. "Common Expenses" shall mean and refer to (a) the expenses for, or reasonable reserves for, the maintenance, management, operation, repair and replacement of those portions of the Property as to which it is the responsibility of the Association to maintain, manage, operate, repair and replace; (b) the cost of capital improvements which the Association may from time to time authorize; (c) the expenses of management and administration of the Association, including without limitation, compensation paid by the Association to a manager, or accountants, attorneys, or other employees or agents; (d) the expenses incurred by the Association for paying employee salaries, utility bills, insurance premiums, and property taxes; (e) any other item or items designated by or in accordance with other provisions of these Protective Covenants or the Bylaws to be Common Expenses; and (f) any other expenses reasonably incurred by the Association on behalf of all Lot Owners.
- B. Not less than thirty (30) days prior to the beginning of each fiscal year (to be determined in accordance with the Bylaws) the Board of Directors shall, after taking into consideration all anticipated items of Common Expense, for such fiscal year, together with a reasonable reserve for contingencies, fix and establish



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the amount of the Annual Common Assessment (the "Annual Common Assessment") to be allocated and charged to all owners of lots within the Property.

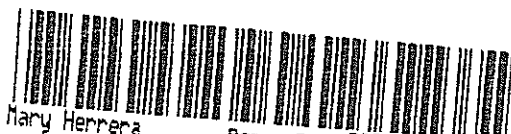
- C. For periods of ownership of less than a full calendar year, the Lot Owner of each lot, on the basis of the foregoing, shall be charged a pro-rata amount thereof based upon the number of days of ownership within the year of acquisition of such Lot Owner's lot.
- D. With respect to the foregoing, the method of allocating the Annual Common Assessment among the Lot Owners may be changed and/or modified upon the approval in writing of three fourths (3/4ths) of the votes of Members of the Association in good standing present at an annual meeting (or special meeting called for that purpose) at which a quorum (as defined in the Bylaws) is present.
- E. Following the establishment of the Annual Common Assessment, each Lot Owner shall be given notice of the Annual Common Assessment and their pro rata share thereof, but the failure of a Lot Owner to receive such notice shall not affect their liability for the payment of their share thereof. Each Lot Owner's share of the Annual Common Assessment shall be due and payable by each Lot Owner (excluding Developer) in monthly installments equivalent to 1/12th of their pro rata share of the Annual Common Assessment, in advance, on the first of each month.
- F. ✱ During the course of a fiscal year should the Board of Directors determine that the Annual Common Assessment theretofore assessed will be inadequate, the Board of Directors from time to time may increase the Annual Common Assessment for such fiscal year and each Lot Owner's pro rata part thereof. Conversely, should the Board of Directors during the course of a fiscal year determine that the Annual Common Assessment theretofore assessed will create a surplus in excess of that necessary as a reserve for contingencies, the Board of Directors from time to time may decrease the Annual Common Assessment and each Lot Owner's pro rata part thereof. In either such event, the Board of Directors shall notify each Lot Owner of the adjustment and the revised amount of each monthly installment thereafter due by each.
- G. If the Board of Directors shall fail to fix and establish the Annual Common Assessment and the pro rata part due by each Lot Owner as herein provided, the Annual Common Assessment and the proportionate part due by each Lot Owner for the previous fiscal year shall be automatically established immediately prior to the commencement of the fiscal year so that there will be no interruption in the payment by a Lot Owner of the monthly installments due.
- H. Notwithstanding any other provisions of these Protective Covenants, Developer, during the period of time until Developer has sold and closed all the lots to third parties (the "Development Period"), shall have no obligation to pay to the Association the proportionate part of the Annual Common Assessment applicable to lots owned by Developer. Developer shall, however, during the



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Development Period, pay to the Association from time to time, as required, any amounts necessary (over and above payments to the Association by the Lot Owners) to satisfy the Association's current operating expenses on a cash basis. During the Development Period, Developer shall have no obligation to contribute any sums to the Association on account of reserves. Except as expressly stated in this paragraph, no Lot Owner shall be exempt from liability for assessments duly established by the Association. Further, no diminution or abatement of assessments shall be allowed or claimed for inconvenience arising from the making of repairs or improvements to the Common Areas or lots from any action taken to comply with any law, ordinance or order of a governmental authority.

- I.  Special Assessments may be fixed and established by the Board of Directors against certain lots for the payment of Special Expenses. Such Special Assessment shall be due and payable by a Lot Owner against whom a Special Assessment is levied by the Association upon demand. Provided, however, no Special Assessment shall be established against any Lot Owner until such Lot Owner shall have been given the opportunity to present evidence on such Lot Owner's behalf at a hearing, and no such hearing shall be held until such Lot Owner shall have received at least ten (10) days' written notice specifying the reasons for the proposed Special Assessment and the exact time and place of the hearing. The decision of the Board of Directors shall be final and binding upon the parties. "Special Assessment" shall mean an assessment for Special Expenses. "Special Expenses" shall mean (a) the expenses incurred by the Association for the repair of damage or loss to those portions of the Property as to which it is the responsibility of the Association to maintain caused by the negligent or tortious acts or neglect of a Lot Owner or its tenants which is not covered by insurance; and (b) any other item or items designated by or in accordance with other provisions of these Protective Covenants or the Bylaws to be Special Expenses.
- J. The obligation of each Lot Owner to pay each Lot Owner's pro rata share of the Annual Common Assessment and any Special Assessments established or fixed by the Board of Directors against a lot pursuant to these Protective Covenants is hereby declared to be secured by a lien (the "Assessment Lien") in favor of the Association covering each such Lot Owner's lot subject to foreclosure in accordance with law. By the acceptance of a deed to such lot, each Lot Owner (and their subsequent grantees) assumes and agrees to pay such assessments in accordance with the terms and provisions of these Protective Covenants.
- K. If any lot subject to the Assessment Lien reserved for the payment of assessments due and to become due pursuant to the terms of these Protective Covenants shall be subject to the lien of a first lien mortgage or deed of trust or any mortgage or deed of trust in favor of an institutional lender (a "Mortgage"): (i) the foreclosure of the Assessment Lien reserved herein shall not operate to affect or impair the lien of such Mortgage; and (ii) the foreclosure of the lien of the Mortgage or the acceptance of a deed in lieu of foreclosure thereof shall not operate to affect or impair the Assessment Lien reserved herein. Any purchaser at such a foreclosure sale or recipient of a deed in lieu of foreclosure shall be



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deemed a Lot Owner of the lot acquired and shall be responsible for payment of all assessments accrued prior to and after the foreclosure sale or deed in lieu of foreclosure.

- L. The payment of an assessment shall be considered delinquent if not paid upon the due date thereof and shall bear interest from such date at the rate of twelve (12%) percent per annum until paid. The Association shall also be entitled to collect a late charge in such amounts and upon such conditions as the Board of Directors may from time to time determine. Each Lot Owner (whether one or more) shall be and remain personally liable for the payment of all assessments which may be levied against such Lot Owner's lot or lots by the Association in accordance with the terms and provisions of these Protective Covenants until the same shall be paid in full, principal, interest and late charges. In the event of sale or conveyance of a lot the purchaser thereof shall be required and entitled to cause such delinquent assessments to be paid out of the sales price and, failing this, such purchaser shall become personally liable for payment of such delinquent assessments by such purchaser's acceptance of a deed from a Lot Owner in default.
- M. The Association may enforce collection of delinquent assessments by suit at law for a money judgment and may seek the appointment of a receiver and/or judicial foreclosure of the Assessment Lien to be reserved and transferred to the Association. Failure to seek judicial foreclosure of such Assessment Lien in any suit at law for a money judgment shall not operate to waive such Assessment Lien, but the same shall remain in full force and effect to secure the payment of all assessments due or to become due by a Lot Owner. In the event of any judicial foreclosure of the Assessment Lien, the statutory redemption period, if applicable, shall be one month in lieu of nine months.
- N. Except as otherwise expressly provided herein, all assessments and funds collected by the Association may be commingled in a single fund, and without the necessity of a specific accounting for each element of Common Expense or Special Expense for which such assessments or collection have been made.
- O. * The assessments against all Lot Owners shall be set forth upon an Assessment Roll which shall be available in the office of the Association for inspection at all reasonable times by all Lot Owners and holders of Mortgages or their duly authorized representatives. Such Assessment Roll shall indicate the name and address of the Lot Owner or Lot Owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. A certificate signed by an officer of the Association as to the status of an assessment account shall limit the liability of any person for whom made other than the Lot Owner. The Association shall issue such certificates to such persons as a Lot Owner may request in writing and shall be entitled to charge a reasonable fee therefor in such amount as shall be determined by the Board of Directors from time to time.



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21. FUTURE VARIANCES ON CERTAIN LOTS:

- A. Lot 110: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1365 dated October 25, 2001, each Lot Owner of Lot 110, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- B. Lot 111: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1363 dated October 25, 2001, each Lot Owner of Lot 111, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- C. Lot 112: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1364 dated October 25, 2001, each Lot Owner of Lot 112, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- D. Lot 119: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1368, 1369 dated October 25, 2001, each Lot Owner of Lot 119, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- E. Lot 129: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1367 dated October 25, 2001, each Lot Owner of Lot 129, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- F. Lot 131: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1362 dated October 25, 2001, each Lot Owner of Lot 131, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- G. Lot 132: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1361 dated October 25, 2001, each Lot Owner of Lot 132, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.



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- H. Lot 133: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1360 dated October 25, 2001, each Lot Owner of Lot 133, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- I. Lot 178: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1359 dated October 25, 2001, each Lot Owner of Lot 178, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.
- J. Lot 179: Pursuant to City of Albuquerque Special Exception No. 01-ZHE-1366 dated October 25, 2001, each Lot Owner of Lot 179, Los Suenos Addition, is hereby informed that no additional variances requests will be allowed on such lot.

22. DURATION OF COVENANTS:

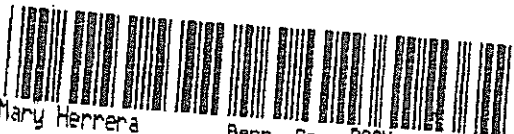
These Protective Covenants and Reservations are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these Covenants are recorded; after which time said Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then Lot Owners have been recorded, agreeing to terminate said Covenants.

23. ENFORCEMENT:

Enforcement to restrain violation of these Covenants or to recover damages shall be by proceedings at law in a court of competent jurisdiction or in equity against any person or persons violating or attempting to violate any covenant herein, and may be brought by any Lot Owner having any interest therein, whether acting jointly or severally. The Architectural Control Committee shall not be obligated to enforce any Covenant through legal proceedings.

24. SEVERABILITY:

Invalidation of any one of these Covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.



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25. AMENDMENTS AND EXCEPTIONS:

Until the Architectural Control Committee is deemed to have resigned as described herein, Developer shall have the authority to unilaterally change, amend or modify these Covenants; provided such change, modification or amendment does not materially change the character or quality of the lots subject to these Covenants and does not materially increase the number of lots within the described area. In addition, amendments and/or exceptions to these Restrictions Covenants and Reservations may be made upon written approval of eighty percent (80%) of the owners of lots in said subdivision, with the owner(s) of each lot being entitled to one (1) vote.

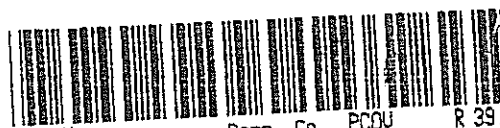
Developer hereby reserves and is granted the right and power to record a Special Amendment to these Protective Covenants at any time and from time to time, which amends these Protective Covenants (i.e.) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities to make, purchase, sell, insure or guarantee first mortgages on any lot covered by these Covenants.

In furtherance of the foregoing, a Power coupled with an interest is hereby reserved and granted to Developer, to make or covenant to a Special Amendment on behalf of each Lot Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of the power of Seller to make, execute and record Special Amendments. No Special Amendment made by Developer, shall affect or impair the lien of any first mortgage in order to induce any of the above agencies or entities to make, purchase, insure or guarantee the first mortgage on such owner's lot.

26. EFFECTIVE DATE:

These Restrictions, Covenants and Reservations, and any amendments or exceptions thereto shall be effective as of the date of their filing with the County Clerk of Bernalillo County, New Mexico.

DATED at Albuquerque, New Mexico, this 25 day of Jan 2002



Mary Herrera

Bern. Co. PCOV

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Attachment 4

Los Suenos Protective Covenants

New Mexico limited liability
company

By: [Signature]

Manager

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on 1-29-02 by
Fred Medina Manager of Los Suenos, LLC, a New Mexico limited liability company.

My commission expires:

11-7-04

Notary Public

[Signature]



Mary Herrera

Bern. Co. PCOV

R 39.00

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NOTICE OF REAL ESTATE COVERED BY
PROTECTIVE COVENANTS IMPOSED UPON
LOS SUEÑOS

THE UNDERSIGNED is the Developer of certain property known as Los Sueños Subdivision, a subdivision in the City of Albuquerque, County of Bernalillo, State of New Mexico, more particularly described hereinbelow.

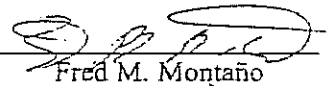
THE UNDERSIGNED filed for record in the office of the County Clerk of Bernalillo County New Mexico certain Protective Covenants Imposed Upon Los Sueños, on January 29, 2002, in Book A31, Page 2283 (the "Protective Covenants").

TAKE NOTICE that the real estate which is subject to the Protective Covenants is described as follows:

All of the Lots and Tracts within the Los Sueños Subdivision, a Subdivision in the City of Albuquerque, Bernalillo County, New Mexico, as the same are shown and designated on the following Plats: Plat of said Subdivision filed July 20, 2001 in Book 2001C, Page 209; Plat filed July 29, 2002 in Book 2002C, Page 252; and Plat filed November 4, 2002 in Book 2002C, Page 354; all of which were filed in the Office of the County Clerk of Bernalillo County, New Mexico.

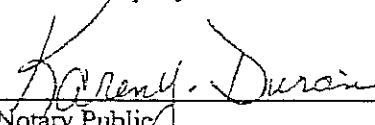
IN WITNESS WHEREOF, the undersigned Developer has executed this Notice this 16th day of June, 2004.

LOS SUEÑOS, LLC

By 
Fred M. Montano
Its Manager

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

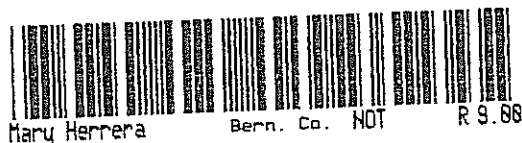
Acknowledged before me on June 16th, 2004 by Fred M. Montano, Manager of Los Sueños, LLC, a New Mexico limited liability company, in behalf of said company.


Notary Public

My Commission Expires:

October 13, 2006

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Attachment 5