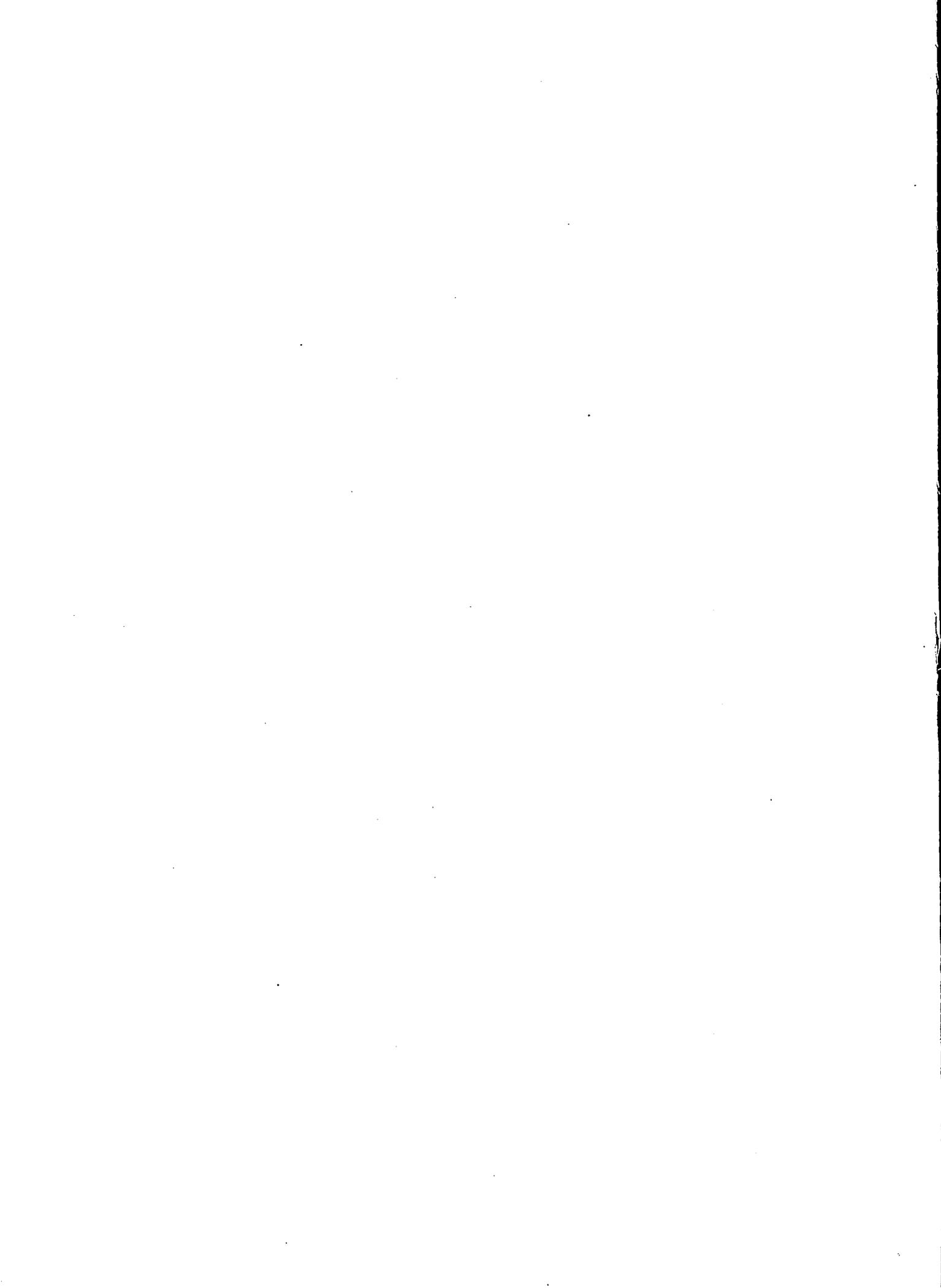


**Declaration of
Covenants, Conditions
and Restrictions**

Desert Ridge Place
Homeowners Association, Inc.



DECLARATION OF
RESTRICTIVE AND PROTECTIVE COVENANTS
FOR
DESERT RIDGE PLACE

The undersigned are the owners in fee simple of the following described real estate:

Lots 1-P1 through 61-P1 and Parcel 1, Desert Ridge Place, Unit 1, as the same are shown and designated on the plat of said subdivision filed in the office of the County Clerk of Bernalillo County, New Mexico on November 4, 2002, in Book 2002C, Page 355.

All of such real estate is referred to as the "Subdivision", and shall include all property subsequently made subject to this Declaration.

The undersigned hereby establish a general plan for the development, improvement, ownership, use and sale of Lot(s) (as hereinafter defined) in the Subdivision and does hereby establish the manner, provisions, conditions, restrictions and covenants upon and subject to which Lots shall be used, improved, occupied, owned, sold and conveyed. The provisions, conditions, restrictions, and covenants in this Declaration shall run with the land, all of which shall be binding upon and inure to the benefit of the present and future Owners (as hereinafter defined) of Lots, and of any interest or interests in the Lot or Lots, all of which provisions, conditions, restrictions and covenants are, and each of them is, hereby impressed and imposed upon each and every Lot as a servitude in favor of each and every other Lot.

1. Definitions. The following words when used in this Declaration shall have the following meaning:

(a) "Additional Property" shall mean: See Exhibit "A" attached hereto and incorporated herein by reference.

(b) "Association" shall mean Desert Ridge Place Homeowners Association, a New Mexico non-profit corporation.

(c) "Board" shall mean the Board of Directors of the Association.

(d) "Common Areas" shall mean the Private Roads, Private Storm Drainage Easements, Security Gate, Landscape Easements, Private Trail Easement and Perimeter Wall (as hereinafter defined) and related Improvements.



(e) "Condominium Property" shall mean and refer to Parcel 2 of Desert Ridge Place, Unit 1, as the same is shown and designated on the Subdivision Plat of Desert Ridge Place, Unit 1, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on November 4, 2002, in Book 2002C, Page 355.

(f) "Declarant" shall mean Desert Ridge Development, LLC, a New Mexico limited liability company.

(g) "Declaration" shall mean this Declaration of covenants, conditions, reservations, restrictions and easements, and any amendment or modification thereto.

(h) "Dwelling" shall mean any building or a portion of a building situated on a Lot designed and intended for use by occupancy as a single family residence.

(i) "Improvements" shall include, without limitation, buildings, out-buildings (including sheds and storage buildings), roads, driveways, parking areas, fences, gates, retaining walls, stairs, decks, windbreaks, poles, antennas, signs, utility or communication installations (whether above or underground), and any structure and excavation of any type or kind.

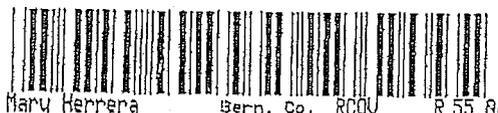
(j) "Lot(s)" shall mean any one of the parcels numbered Lots I-P1 through 61-P1, Desert Ridge Place, Unit 1, as the same are shown and designated on the plat of said subdivision filed in the office of the County Clerk of Bernalillo County, New Mexico on November 4, 2002, in Book 2002C, Page 355, or any lots subsequently made subject to this Declaration.

(k) "Owner" shall mean the persons or entities, including Declarant, holding legal title or beneficial ownership of the fee, including the purchaser under an installment sales contract of a Lot, or a lessee of a Lot pursuant to a leasehold agreement of a term of twenty (20) years or greater. Owner shall not include a seller under an installment sales contract of a Lot or the lessor of a Lot pursuant to a leasehold agreement with a term of twenty (20) years or greater.

(l) "Perimeter Wall" shall mean the wall constructed by Declarant or its successor on the perimeter of the Subdivision.

(m) "Plat" shall mean the Subdivision Plat of Desert Ridge Place, Unit 1, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on November 4, 2002, in Book 2002C, Page 355.

(n) "Plat Easement Notes" shall mean the "Keyed Notes - Right-of-Way Dedication and New Easements" on the Plat.



(o) "Private Roads" shall mean Desert Shadow Way N.E., Desert Fox Way N.E., Desert Finch Lane N.E., and Moonridge Trail N.E., which are also described as Parcel I of the Subdivision.

(p) "Private Storm Drainage Easements" shall mean the private storm drainage easements shown on the Plat Easement Notes as numbers 1 and 3A.

(q) "Private Trail Easement" shall mean the ten foot (10') private trail access easement shown on the Plat Easement Notes as number 4.

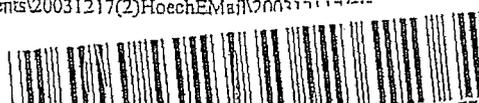
(r) "Rowe Property" shall mean and refer to Lots 25 and 26, Block 9, Tract 3, Unit 3, North Albuquerque Acres, as the same are shown and designated on the plat thereof filed in the office of the County Clerk of Bernalillo County, New Mexico on September 10, 1931.

(s) "Security Gate" shall mean the gate on the intersections of Desert Shadow Way N.E. and Holly Avenue N.E.

2. Land Use and Building Type. The Subdivision will be a gated community consisting of Private Roads, street signs and street lamps all of which shall be maintained by the Association. No Lot, or portion of a Lot, shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot for use other than one Dwelling with a private garage attached to the Dwelling, for not less than two (2) automobiles. All Dwellings shall be constructed of frame/stucco and shall be of a contemporary southwest style with such stone accents as may be approved by the Committee (as hereinafter defined). The stucco is to be of sanded trowel finish. The stucco colors are to be limited to earth tones approved by the Committee. All buildings, except for covered porches and accessory buildings, shall have a pitched concrete tile roof or a flat roof. Front exterior light fixtures will be ceramic or concealed droplights and the design will be the same for all homes. Dwelling numbers will be ceramic tile or as approved by the Committee. There shall also be permitted, (upon approval of the Committee), but not required, one (1) detached accessory building for storage of garden tools, garden and household furnishings, not to exceed 100 square feet and not to exceed eight (8) feet in height. The accessory building must be located inside required property line setbacks and not be visible from the Private Roads. The exterior of any accessory building shall be roofed and stuccoed to match the exterior color of the Dwelling. The Committee will need to approve anything other than a standard gray concrete driveway or walkway.

3. Architectural Control Committee. An architectural control committee (the "Committee") is hereby established and shall be comprised of five (5) persons, each of whom shall serve until his or her successor is appointed and qualified or his or her obligations otherwise terminate.

The following persons are hereby appointed and declared to comprise the Committee:



acc

Scott Bealhen
Bealhen Construction Inc.
8908 Adams NE
Albuquerque, NM 87113

Tom Cardenas
TC Building Inc.
P.O. Box 20148
Albuquerque, NM 87154

Hans Egenes
Sundance Homes, Inc.
8300 Carmel Ave. NE Suite 201
Albuquerque, NM 87122

Rich Gantner
Tiara Homes
8923 Vallejo Pl NE
Albuquerque, NM 87122

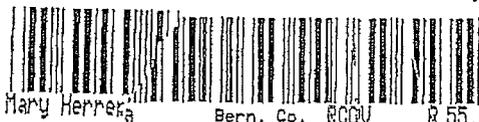
Justin D. Hoech
Hoech Real Estate Corporation
8300 Carmel Ave. NE, Suite 601
Albuquerque, NM 87122

Successors shall be appointed by a majority of the remaining members of the Committee. After Declarant or its successors has sold the last Lot and Dwelling to a third party purchaser, the duties of the Committee shall be undertaken by the Association, through a committee to be appointed by the Board.

BEFORE ANYONE SHALL COMMENCE THE CONSTRUCTION, RECONSTRUCTION OR ALTERATION OF ANY IMPROVEMENTS ON ANY LOT, THERE SHALL BE SUBMITTED TO THE COMMITTEE PLANS AND SPECIFICATIONS AS FOLLOWS:

- A. Plans and specifications shall clearly show the nature of the work or installation proposed and location on the Lot, which shall include sufficient description of materials, textures, etc., as shall enable the Committee to determine whether the construction, reconstruction or alteration of Improvements will harmonize with the architectural style of the Subdivision and the external design of existing structures within the Subdivision; and
- B. No Improvements of any kind, or alteration, painting, or texturing thereof, shall ever be, or permitted to be, erected, constructed, installed, placed or maintained on a Lot, unless and until the final plans, specifications and elevations shall have written approval of the Committee. All plans shall further include elevations and textures indicating the materials for the same.

The Committee shall have the right and power to disapprove any plans, specifications or details submitted to it, if the Committee finds that the plans and specifications are not in accordance with all provisions of this Declaration, or if the design, materials or color scheme submitted are not in harmony with other



Improvements constructed within the Subdivision or if the plans and specifications are incomplete.

Neither the members of the Committee, either in their individual or in their collective capacities, nor the Declarant, shall be responsible, or have any liability, whatsoever for any defect in any plans, specifications or other data submitted to, approved by or revised by the Committee, or in any work done or Improvements made pursuant to such plans and specifications.

The Committee shall approve or disapprove the plans and specifications within thirty (30) days after receipt of the plans and specifications. If the Committee fails to approve or disapprove the plans and specifications within thirty (30) days after receipt, then such approval shall not be required; provided, that no structure, building or other improvement shall be installed, erected, painted, textured, altered or modified which violates any part of this Declaration.

4. Further Subdivision of a Lot. No Lot may be divided into two or more parcels, nor may one Dwelling occupy more than one Lot.

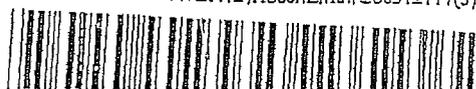
5. Grading. No Lot may be landscaped or re-graded in such a manner as to cause the drainage characteristics of the Lot to differ significantly from the grading plan for the Subdivision approved by, and on file with, the City of Albuquerque Engineering Department (the "Drainage Report"). In no case may the drainage from one Lot drain on to any other Lot, except as allowed by the Drainage Report.

Any party constructing, reconstructing or altering Improvements on any Lot shall be required to conform with the Drainage Report, copies of which are available from Declarant, its successors or the City of Albuquerque.

6. Compliance with the Grading Plan and Development Plan. All Improvements constructed on each Lot shall comply with the City of Albuquerque approved "Grading Plan" and "Development Plan" for the Subdivision. All plans and specifications submitted to the Committee must contain sufficient information to enable the Committee to determine compliance with the Grading Plan and Development Plan. However, the Committee shall not be liable to the Owner or any other person for approval of plans, which are contrary to the Grading Plan and Development Plan.

It is the responsibility of the Owner that all Improvements built on each Lot are in compliance with the soils report for the Subdivision, a copy of which is available at the office of Declarant. If the Improvement is a building which is to be built on any portion of a Lot outside the prepared pad, the Improvement must be built on controlled fill dirt.

7. Minimum Area of Dwelling; Height Restrictions. The total enclosed living area of any Dwelling, exclusive of open porches, garage, and any accessory building shall not be less



than 1400 square feet. Dwellings are restricted to one (1) story in height and are not to exceed seventeen feet (17') above finished grade on all Lots, except Lots 14-P1 through 18-P1, 37-P1 through 40-P1, 45-P1 through 51-P1 and 54-P1 through 60-P1.

8. Setbacks. No Dwelling shall be located on any Lot in contradiction of the following setback requirements:

- A. There shall be a front-yard setback of not less than fifteen (15) feet from the front Lot line.
- B. There shall be a garage setback of not less than twenty (20) feet from the front Lot line.
- C. There shall be a rear-yard setback of not less than fifteen (15) feet from the rear Lot line.
- D. There shall be no required side yard setback except there shall be a side yard setback of ten (10) feet from the Private Roads for corner Lots, and there shall be a distance of not less than ten (10) feet between Dwellings. Pitched roofs overhanging the side Lot lines not more than two feet (2') shall not be construed as encroachments upon neighboring Lots provided they are built at the time of construction of the original Dwelling.

9. Landscaping. The builder constructing any Dwelling shall install the front-yard landscaping. The Owner shall ensure the front yard landscaping is maintained in good condition at all times. No irrigation systems, turf or plants shall be placed within three (3) feet of any adjacent Dwelling.

10. Tolerance. A four-inch (4") tolerance for mechanical variances in construction is hereby automatically allowed for buildings and other Improvement setback requirements imposed by this Declaration.

11. Completion of Work. Once construction, reconstruction or alteration of new Improvements shall commence, all such construction, reconstruction or alteration shall be finished and completed in all respects in accordance with the Committee-approved plans and specifications within nine (9) months after said commencement. All construction, reconstruction or alteration activities shall be accomplished in such a manner as shall not create unreasonable, unsightly, noisy or objectionable conditions.

12. Nuisances. No noxious or offensive activity shall be carried on, or permitted upon any Lot. Nothing shall be done, placed or stored on any Lot which may be or may become an annoyance or nuisance to the Owner(s) of other Lot(s), or which will occasion any noise or odor which will or might disturb the peace, comfort or serenity of the occupants of Dwellings on other Lot(s). Owners of vacant Lots shall be responsible for keeping, and shall keep, their Lots



clear of weeds, trash and other detracting impediments. No trash or garbage shall be burned on any Lot. Garbage and other waste materials shall be placed in the covered containers provided by the City of Albuquerque and shall not be placed out for collection more than 24 hours prior to scheduled collection times. These containers shall be concealed from the street on non-garbage collection days.

A wire receptacle shall be provided by the builder in the construction area and all debris easily displaced by wind shall be placed in the receptacle. The receptacle shall be emptied when full. All Lots shall be maintained in a neat, orderly condition at all times.

13. Temporary Buildings. No Improvement of a temporary character, such as a shack, barn, basement, trailer, tent, garage or other outbuilding, mobile home, or motor home, shall be used on any Lot at any time as a Dwelling, either temporarily or permanently. No Dwelling placed or erected on a Lot shall be occupied in any manner at any time prior to its being fully completed; provided, however, that this provision shall not prevent the occupancy and use of Improvements on a Lot for residential purposes while additions, modifications, or alterations are being made to a completed Dwelling pursuant to plans and specifications duly approved by the Committee,

Notwithstanding anything to the contrary, any Lot may be used for a sales office, model home complex, or storage and construction yard during the initial construction of a Dwelling and the sales period. All such temporary uses must have the prior approval of the Committee, which shall establish the requirements for such uses.

14. Equipment. No satellite dish, radio, television or other antennas shall be erected upon a Lot unless the antenna(s) can be concealed from view behind a parapet or inside the roof structure or attic, or unless approved by the Committee. Where externally visible air conditioners or evaporative coolers are installed, they shall be so installed that they will not be visible from the front or side Private Roads. Roof mounted units shall be allowed, however, they shall be installed so as to comply with this restriction as much as reasonably possible. No clotheslines or basketball goals of any type shall be placed on or at any Dwelling.

15. Parking and Storage of Vehicles, Etc., Within the Subdivision. No camper, recreational vehicle, trailer, mobile home, boat, commercial type vehicle, van, motorcycle, dune buggy, bus, inoperable vehicle or tractor shall be stored or parked on any Lot continuously for a period of more than twenty-four (24) hours. No camper, recreational vehicle, trailer, mobile home, boat, commercial type vehicle, van, motorcycle, dune buggy, bus, inoperable vehicle or tractor shall be parked on the Private Roads overnight. Operable vehicles may only be parked on the Private Roads for up to seventy-two (72) hours continuously and the same vehicle may not be parked on the Private Roads more than nine (9) days in any calendar month. The Association shall have the right to adopt rules and regulations regarding parking on the Private Roads which amend the requirements of the previous sentence of this paragraph.



19. Privacy Walls & Gates.

- A. Walls for purposes of visual screening or privacy may be constructed within the rear and side yard set back lines, provided the style, color and materials are compatible with those of the Dwelling. Side and front yard walls shall have a maximum height of seventy-two (72) inches. Rear yard walls shall have a maximum height of sixty (60) inches.
- B. A solid masonry wall may be constructed between the front Lot line and the Dwelling not to exceed sixty (60) inches in height from the high side grade. If a concrete masonry wall is used, it must be stuccoed to match the Dwelling. In no case may a wall be in violation of any governmental codes.
- C. All front walls completing court yards that face the Private Roads shall be stuccoed to match the Dwelling. All yard walls constructed on the side and rear Lot lines shall be constructed of concrete block of the same color and make as the Perimeter Walls.
- D. No barbed wire, welded wire, welded pipe or wood slats shall be permitted on any Lot. During the construction of the Dwellings, temporary privacy fences will be permitted between adjoining Lots, until such adjoining Lots' Dwellings are completed. All temporary fences must be uniform, provide privacy and be a minimum of five feet (5') in height.
- E. All side yard gates and courtyard gates shall be made of wrought iron and color coated to match the exterior stucco color of the Dwelling walls.

20. Casualty. If any Improvement on any Lot is destroyed, wholly or in part, by fire or other casualty, the Improvement so damaged or destroyed shall be promptly and properly rebuilt or repaired in conformity with the provisions of this Declaration; or, in the alternative, all remaining portions of the Improvement, including all foundations and all debris, shall be removed from the Lot. If the Owner of the Lot elects to clear the Lot, the razing and clearing work shall be completed within one hundred twenty (120) days after the casualty.

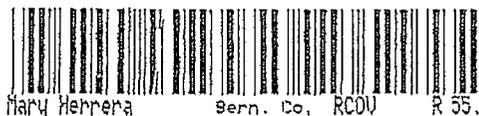
21. Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that domestic dogs and cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial breeding purpose.

22. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying, or mining operations or exploration of any kind shall be permitted upon any Lot. No oil wells, tanks, tunnels, minerals excavation shafts or other such equipment or activities shall be permitted upon any Lot.

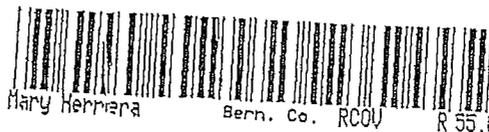


23. Easements and Rights-of-Way

- A. Utility Easements and Rights-of-Way. All areas of the Lots reserved for the installation, removal, repair and maintenance of utilities are reserved and designated as utility easements on the Plat.
- B. Easements and Rights-of-Ways Include Right of Ingress and Egress. All easements and rights-of-ways of whatever type which are shown and designated on the Plat shall include the right of ingress to and egress from such easements and rights-of-way over, upon, or under such easements, for the purpose of installing, removing, repairing and maintaining utilities, trimming or removing of interfering trees or shrubs, and any other purpose for which such easements and rights-of-way may be used.
- C. No Construction or Obstacle on Any Type of Easement or Right-of-Way. No Dwelling, obstacle, or other type of Improvement shall be erected, placed, altered, or permitted to remain upon any portion of a Lot which is the subject of any type of easement or right-of-way which would in any way interfere with the use of such easement or right-of-way; nor shall any trees, shrubs, hedges, or other landscaping be planted or permitted to remain in place, or to remain untrimmed, which would interfere with the use of any easement or right-of-way.
- D. Side Yard Easements. Private, non-exclusive, surface side yard easements three (3) feet in width ("Side Yard Easement(s)") are imposed as follows.
- (1) The northern three (3) feet of Lots 14-P1 through 17-P1 and Lot 43-P1.
 - (2) The eastern three (3) feet of Lots 2-P1 through 11-P1, Lot 13-P1, Lots 19-P1 through 35-P1, Lots 38-P1 through 41-P1, Lots 45-P1 through 60-P1.
 - (3) "Dominant Owner" means the Owner of the Lot benefited by and entitled to use the Side Yard Easements.
 - (4) "Servient Owner" means the Owner of the Lot burdened by and subject to the Side Yard Easements.
 - (5) The Side Yard Easement is a private, surface easement for the benefit of the Dominant Owner and not for the benefit of the general public or for any governmental body.



- (6) The Side Yard Easement is a surface easement only and shall not prevent the Servient Owner from utilizing the space beneath the surface of the ground or from utilizing the air space above the Side Yard Easement which is the height of the eaves of the Dwelling of the Servient Owner.
- (7) With the exception of privacy walls, return walls, patio floors or slabs, and the ordinary projections from the Dwellings, the Side Yard Easements shall be kept clean and unobstructed by the Dominant Owners to provide open access for the Servient Owners as provided for in paragraph 23D(8).
- (8) Each Servient Owner shall have the right to enter upon its Side Yard Easement and the adjacent Lot to the extent such entry is reasonably necessary to carry out the resurfacing, repainting or repair of a party wall or a Dwelling, including the projections from the Dwelling. Such right of entry shall be exercised in such a manner as to interfere as little as is reasonably possible with the possession and enjoyment of the area by the Dominant Owner and shall be preceded by reasonable notice whenever the circumstances permit. No notice shall be required in the case where an emergency requires immediate entry by the Servient Owner.
- (9) The Dominant Owner of the Side Yard Easement shall be responsible to the Servient Owner for all damage caused to the Servient Owner or said Servient Owner's Improvements resulting from the use of the Side Yard Easement by the Dominant Owner, his/her guests, tenants, licensees, agents or family members. The Servient Owner of the Side Yard Easement shall be responsible to the Dominant Owner for all damage caused to the Dominant Owner resulting from the use of the Side Yard Easement by the Servient Owner, his/her guests, tenants, licensees, agents or family members.
- (10) The Dominant Owner of the Side Yard Easement shall be protected, held harmless, and indemnified by the Servient Owner from any liability or damage arising from the acts or omissions on the part of the Servient Owner, his/her guests, tenants, licensees, agents or family members in his or her use of the Side Yard Easement. The Servient Owner of the Side Yard Easement shall be protected, held harmless, and indemnified by the Dominant Owner from any liability or damage arising from the acts or omissions on the part of the Dominant Owner, his/her guests,



tenants, licensees, agents or family members in his or her use of the Side Yard Easement.

- (11) No part of the Side Yard Easement shall be used by the Dominant Owner for any purpose or in any manner which shall increase the rate at which insurance against loss or damage by fire and the perils covered by extended coverage insurance or bodily injury or property damage liability insurance covering the adjacent Dwelling and Lot may be obtained, or cause such Dwelling or Lot to be uninsurable against such risks, or any policy or policies representing such insurance to be canceled or suspended, or the company issuing the same to refuse to renew coverage.

E. Special Exterior Wall. Each Dwelling shall have a windowless exterior wall (the "Special Exterior Wall") constructed parallel to and on the Dwelling Owner's Lot line. Obscure glass block is allowed on the Special Exterior Wall provided that the glass block is at least seven (7) feet above the interior finished floor of the Dwelling, is totally obscure and objects cannot be identified by looking through the glass block.

- (1) The Owner of the Dwelling containing the Special Exterior Wall shall not attach anything to the exterior of such wall or alter it in any way other than resurfacing or painting the wall in such manner as shall be approved by the Committee.
- (2) The Owner of the adjacent Lot shall avoid any action which shall in any way restrict the use of the Special Exterior Wall by its Owner including, but not limited to, refraining from attaching any object to the Special Exterior Wall, such as wires, trellises and plantings; defacing the Special Exterior Wall in any manner; placing graphics or other design work (whether painted or otherwise) on the Special Exterior Wall; or using the Special Exterior Wall as the playing surface for any sport.

F. Roof Runoff. It shall be the responsibility of each Owner to take appropriate measures to protect all adjacent Lots from water running off of such Owner's roof onto an adjacent Lot. All roof runoff is to be channeled by use of appropriate guttering to protect neighboring Lots.

G. Perimeter Walls. The Perimeter Walls shall be Common Areas, constructed by the Declarant or its successors, and shall be maintained by the Association. Each Lot containing a portion of the Perimeter Walls shall be subject to a perpetual non-exclusive easement for said Perimeter



Walls which shall be three (3) feet in width ("Perimeter Wall Easements") and shall be located as follows:

- (1) The southern three (3) feet of Lots 1-P1 through 13-P1.
- (2) The western three (3) feet of Lots 13-P1 through 15-P1.
- (3) The northern three (3) feet of Lots 19-P1 through 36-P1.

The Perimeter Wall Easements shall be perpetual and non-exclusive for the benefit of Declarant, its successors, and the Association for the construction, maintenance and repair of the Perimeter Walls. No Owner shall have the right to tie into or alter the Perimeter Walls on said Owner's Lot without the prior written consent of Declarant, its successors or the Association.

- H. Landscaping Easements. The southeastern corner of Lot 12-P1 and the southwestern corner of Lot 11-P1 are subject to perpetual non-exclusive landscape easements which are respectively within the areas denominated in the Easement Tables on the Plat as E37 and E38 and E40 and E41 ("Landscape Easements"). The Landscape Easements shall be utilized for monument signage for the Subdivision, lighting and landscaping. The Landscape Easements shall be maintained by Declarant, its successors or the Association.
- I. Miscellaneous Easements. The Plat has created miscellaneous private drainage and sidewalk easements in Plat Easement Notes numbers 11, 12, 13 and 29 which shall be maintained by the Owner's of the Lots as provided for in the Plat. The Association shall have the right, but not the obligation, to oversee and perform any of the obligations related to the maintenance of said easements at the expense of the Owner of the Lot responsible for said maintenance.
- J. Private Pedestrian Easement. The western five feet of the Condominium Property are subject to a perpetual non-exclusive pedestrian easement for the benefit of the Subdivision and the Rowe Property. The owners of the Rowe Property shall have the right to construct, at their expense, a non-coded gate between the Rowe Property and the Condominium Property where the wall crosses the pedestrian easement.

24. Billboards, Poster-Boards, and Advertising. The construction and/or maintenance of billboards, poster-boards, and advertising structures of any kind on any part of any Lot is prohibited, except that real estate agents and/or the Owner of a Lot may display one (1) temporary "For Sale" sign or one (1) "Open House" sign on any Lot. The sum of the length and



width of such signs shall not exceed sixty inches (60"). Declarant and the initial builder of the Improvements on each Lot shall be exempt from the requirements of this Paragraph 24.

25. Common Areas. The Common Areas shall be maintained by the Association. The Board shall have the right to establish rules and regulations related to use of the Common Areas.

26. Association. The Association shall be a New Mexico non-profit corporation which shall be controlled by the articles of incorporation and bylaws thereof.

- A. Every Lot shall be entitled to one (1) membership in the Association which shall be vested in the Owner or Owners thereof. If an Owner owns more than one (1) Lot, said Owner shall have only one (1) Membership in the Association, however, said Owner shall have one (1) vote for each Lot. Membership shall be appurtenant to and may not be separated from the ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership.
- B. The Association shall have one (1) class of voting membership.
- C. The expenses of the Association shall be paid through assessments against each Lot. Such assessments shall be fixed, established and collected from time to time as hereinafter provided. The assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on each Lot and shall be a continuing lien upon each Lot against which each such assessment is made. These assessments and costs shall also be the personal obligation of each person or entity who was the Owner of the Lot when the assessment became due. Assessments will begin on the date set by the Board and will be prorated for partial assessment years.
- D. The assessments shall be used exclusively for the Common Areas and costs of the Association.
- E. The initial annual assessments for each of the Lots shall be \$300.00, prorated from the date each Owner closes on the purchase of a Lot and Dwelling from Declarant or the initial builder. Annual assessments thereafter shall be due and payable on January 1 of each successive year and shall be delinquent each February 1 if not paid in full; provided however, the Association may decide to assess the Owners monthly or quarterly for the annual assessments. Neither Declarant nor a builder holding a Lot for development or a Lot with a Dwelling for initial sale shall be required to pay any assessments for Lots it owns; provided however, if any Dwelling owned by Declarant or the initial builder is



occupied as a residence prior to the sale the annual assessments shall commence on the date of occupancy and shall be paid by the Owner of said Lot. The \$300.00 annual assessment shall remain in effect until modified by a two-thirds (2/3) vote of the members of the Association at a meeting held for the purpose of determining said assessments, which meeting shall be called at least thirty (30) days in advance thereof, except in the event of an emergency.

- F. Written notice of the annual assessments shall be sent to every member at the time of its determination by the Board. The Association shall, upon demand at any time, furnish to a member a certificate in writing signed by an officer designated by the Board as the one responsible for keeping the records, or for this purpose, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.
- G. If any installment of an assessment is not paid within thirty (30) days after it is due, then such assessment shall become delinquent and shall, together with interest thereon, and the cost of collection thereof, as provided herein, become a continuing lien on the Lot which shall bind such Lot in the hands of the then Owner of that Lot, and any subsequent Owner. The personal obligation of the then Owner to pay such assessment, however, shall remain its personal obligation for the statutory period and shall not pass to its successors in title until expressly assumed by them. If the assessment is not paid within thirty (30) days after the delinquency date, a reasonable late charge may be assessed at the discretion of the Board and the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum until paid. The Association may bring an action at law against the Owner personally obligated to pay the same or an action to foreclose the lien against the Lot, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, reasonable attorney's fees to be fixed by the court, together with the costs of the action.
- H. The lien for the assessments shall be subordinate to the lien of any first mortgage placed upon the Lot in good faith and for value; however, such subordination applies only to the assessments due before the sale or transfer of the Lot pursuant to a decree of foreclosure, or any transfer in lieu of foreclosure. The sale or transfer of a Lot does not relieve the Lot from the liability for or lien of assessments thereafter becoming due.

27. No Business or Commercial Enterprise Permitted. No business, whether or not for profit, and no commercial enterprise of whatever kind, except from time to time as may be permitted by the City of Albuquerque Comprehensive Zoning Ordinance for the Subdivision,



shall be undertaken or carried on, upon, or from any Lot, except only the original sales and subsequent sales of the Lots and the Dwellings constructed and to be constructed thereon. No stores, shops, businesses, commercial, or industrial buildings, or other such structures of whatever type shall be erected, placed, altered, or permitted to remain upon any Lot, except only in connection with the original development and sales of the Lots and construction and sales of the Dwellings, such as model homes or a show home, or a sales office.

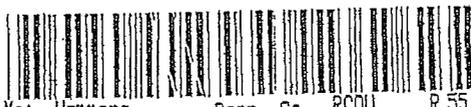
Home offices shall be allowed in occupied Dwellings under the following guidelines:

- A. There shall be no signs and/or advertising of the home office;
- B. The garage shall remain a garage and shall not be converted to an office; and
- C. There shall be a maximum of one customer and the Owner of the Lot conducting business at any one time from the home office.

28. Additional Property. Declarant shall have the right, without the consent of the Association, or any Owners, or lenders having liens on any of the Subdivision, to make the Additional Property subject to this Declaration. Each parcel of the Additional Property which is platted for single family residential use shall be deemed a Lot for purposes of membership in the Association and assessments.

29. Condominium Property. Declarant shall have the right, without the consent of the Association, any Owners or lenders having liens on any of the Property, to grant to the owners of the Condominium Property and any homeowners association created therefor ("Condominium Association"), access rights to and from the Private Roads and use of the Security Gate. Each unit of the Condominium Property ("Condominium Unit") shall be deemed a Lot for purposes of this Declaration, and the Owner of each Condominium Unit shall be a Member of the Association, with full rights and obligations appertaining thereto. The Association shall pay all costs of maintenance and utilities (if separately metered) related to the road, street lighting and perimeter walls within the Condominium Property. The Condominium Association and/or Owners of the Condominium Units shall be responsible for all other maintenance within the Condominium Property. The obligation for payment of the Annual Assessments by the Owners of the Condominium Units shall commence upon the closing on the sale of each Condominium Unit to a third party by the builder thereof.

30. Rowe Property. Upon the written notice from the owner of the Rowe Property, and upon the owner of the Rowe Property filing a supplemental declaration to this Declaration without the consent of the Association or any Owners, or lenders having liens on any portion of the Subdivision, the Rowe Property shall be subjected to this Declaration, as hereinafter qualified, and the owners of the Rowe Property, shall have access rights to and from the Private Roads and use of the Security Gate(s). The Rowe Property may contain single family or multi-family Dwellings as permitted by applicable governmental authorities and shall provide for



necessary private roads and easements (including Perimeter Wall Easements). The owner of each platted parcel of the Rowe Property, whether single family dwelling units or multi-family dwelling units shall be Members of the Association, with full rights and obligations appertaining thereto. The owners of any multi-family dwelling unit parcel shall have one membership in the Association for each dwelling unit, and shall pay assessments for each such membership. The owner of the Rowe Property shall pay all costs for infrastructure and other improvements required by governmental authorities, as well as the cost for a perimeter wall around the southern and western boundaries thereof, which shall be of the same materials and colors as the Perimeter Wall. Membership in the Association and the obligation for payment of the annual assessments by the owners of the individual dwellings within the Rowe Property shall commence as to each such unit upon the substantial completion of the residential improvements thereon and the consummation of the initial sale of the Dwelling by the builder or occupancy of the Dwelling, whichever occurs first. The Association shall pay all costs of maintenance and utilities related to the road, street lighting and perimeter walls within the Rowe Property at such time as the first membership in the Association is granted to an owner of a portion of the Rowe Property. Notwithstanding the inclusion of the Rowe Property within this Declaration, the provisions of paragraph 2 hereof shall not apply, except that any dwellings and other buildings constructed on the Rowe Property shall be frame/stucco construction, of a southwestern style (may include pitched, concrete or clay tile roofs) and stucco colors which are earthtones. The construction on the Rowe Property shall not be subject to oversight by, or require approval of, the Committee, the Association or any other Owners of any portion of the Subdivision. Notwithstanding the preceding sentence, all other provisions of this Declaration shall apply to the Lots created within the Rowe Property and the construction of Improvements thereon including subsequent renovations to the initial Improvements, except the following additional paragraphs of this Declaration shall not apply to the Rowe Property: 3, 4, 7, 8, 18E, 19B, C and E and 23D. All rights and obligations with respect to the Rowe Property shall run with the Rowe Property.

31. Enforcement of Covenants. The violation or breach of any provision, condition, restriction or covenant in this Declaration, after notice of such violation or breach has been presented to an Owner, shall give each other Owner, Declarant, the Association and the Committee the right to prosecute at law or in equity, the person or persons who have violated or are attempting to violate any provision, condition, restriction or covenant in this Declaration, to enjoin or prevent them from doing so, to cause the violations to be remedied or to recover damages for the violation. Any one of the above-listed persons or entities may so enforce this Declaration and the cooperation of any other person or entity is not required.

The result of every action or omission whereby any provision, condition, restriction or covenant in this Declaration is violated in whole or in part, is hereby declared to be and to constitute a nuisance, and every remedy allowed by law or equity against an Owner, either public or private, shall be applicable against every such action or omission.

The failure of Declarant, the Committee, the Association or any Owner to enforce any provision, condition, restriction or covenant in this Declaration shall not be deemed to be a waiver of the



right to do so thereafter nor of the right to enforce any other provision, condition, restriction or covenant in this Declaration.

The prevailing party or parties in any judicial proceedings to enforce this Declaration shall be entitled to reasonable attorney's fees and court costs from the non-prevailing party.

All questions of interpretation or construction of the terms of this Declaration shall be resolved by the Association.

32. Severability. If any one or more of the provisions, conditions, covenants and restrictions in this Declaration are held by any court of competent jurisdiction to be null and void, all remaining provisions, conditions, covenants and restrictions shall continue unimpaired and in full force and effect.

33. Assignment of Declarant's Rights. The Declarant shall have the right to assign, transfer and convey all of Declarant's rights to a third party or parties acquiring the remaining undeveloped Lots owned by Declarant in the Subdivision. Said assignee or successor shall have the same rights as Declarant hereunder.

34. Duration of These Covenants. The provisions, conditions, covenants and restrictions in this Declaration shall run with the land and continue in full force and effect for a period of thirty (30) years from the date of the filing of this Declaration in the office of the County Clerk of Bernalillo County, New Mexico, at which time they shall be automatically extended for a period of ten (10) years and thereafter for successive ten year periods, unless before the commencement of any extension period the then Owners of the fee simple estate of seventy-five percent (75%) or more of the Lots by written instrument, duly executed and recorded, shall declare a termination of this Declaration. Any such termination shall become effective upon the date upon which otherwise the automatic extension would take effect.

35. Amendment. At any time after the date of the filing this Declaration, the Owners of not less than seventy-five percent (75%) of the Lots may release one or more of the Lots from, or may modify, change or amend all or any portion of the provisions, conditions, covenants or restrictions contained in this Declaration by executing and acknowledging an appropriate agreement or agreements in writing for such purposes and filing the same for record in the office of the County Clerk of Bernalillo County, New Mexico. No amendment to this Declaration which impairs the rights of the owner(s) of the Rowe Property may be made without the written consent of the owner(s) of the Rowe Property; provided however, after submission of the Rowe Property to this Declaration, the above requirements for amendment shall apply, except as to matters which only affect or disproportionately affect the Lots which were originally part of the Rowe Property, in which case unanimous consent of the Owners of those Lots must be obtained to amend this Declaration.



Tiara Homes, Inc., a New Mexico corporation

By: *[Signature]*
RICHARD P. GANTNER, President

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on *Dec 18*, 2003, by RICHARD P. GANTNER, President of Tiara Homes, Inc., a New Mexico corporation.

MY COMMISSION EXPIRES:
August 31, 2004

[Signature]
NOTARY PUBLIC


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Page 28 of 24
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Sundance Homes, Inc., a New Mexico corporation

By: *Hans W. Egenes*
HANS W. EGENES, President

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on *Apr 22*, 2003, by HANS W. EGENES, President of Sundance Homes, Inc., a New Mexico corporation.

MY COMMISSION EXPIRES:
August 31, 2004

[Signature]
NOTARY PUBLIC


Mary Herrera Bern. Co. RCOU R 55.89 20040809010
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Page: 21 of 24
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Antero, LLC, a New Mexico limited liability company

By: *Scott Bealhen*
SCOTT BEALHEN, Managing Member

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on 15, 2004, by SCOTT BEALHEN,
Managing Member of Antero, LLC, a New Mexico limited liability company.

Bernie A. Schwarz
NOTARY PUBLIC

MY COMMISSION EXPIRES:
October 31, 2004


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Page: 22 of 24
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TC Building, Inc., a New Mexico corporation

By: *Tom Cardenas*
TOM CARDENAS, President

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on 01/09, 2007, by TOM CARDENAS,
President of TC Building, Inc., a New Mexico corporation.

Laura A. Schuerz
NOTARY PUBLIC

MY COMMISSION EXPIRES:
August 31, 2011


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Page: 23 of 24
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EXHIBIT "A"

Lots 1-P1 through 19-P1, Desert Ridge Place, Unit 2, as the same are shown and designated on the Plat of said Subdivision filed in the Office of the County Clerk of Bernalillo County, New Mexico, on May 23, 2003, in Book 2003C, Page 150, as Document No. 2003086906.

and

Parcel 1, Desert Ridge Place, Unit 2, as the same is shown and designated on the Plat of said Subdivision filed in the Office of the County Clerk of Bernalillo County, New Mexico, on May 23, 2003, in Book 2003C, Page 150, as Document No. 2003086906.

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Page: 24 of 24
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Mary Herrera Bern. co. RCOU R 55.00