

FIRST AMENDED AND RESTATED DECLARATION OF
PLANNED RESIDENTIAL COMMUNITY

La Luz Landowners Association (hereinafter called the Association) declares that:

ARTICLE I

SCOPE

(A) This First Amended and Restated Declaration of Planned Residential Community ("This Declaration") amends, restates and replaces in its entirety the Declaration of Planned Residential Community recorded with the Bernalillo County Clerk February 10, 1969 in Book Misc. 128, pages 653-667, as amended and supplemented (collectively, the "Original Declaration"), provided however, the Original Declaration continues to be valid, in full force and effect, until three (3) years after the date of recording of This Declaration, which will be the day following the third yearly anniversary date of the date of recording (the "Effective Date" of This Declaration); and with certain restrictions and exceptions stated in paragraph six (6) of the Third Supplemental Declaration of Planned Residential Community, dated December 28, 1973, recorded December 28, 1973 in Book 347, pages 159-161, records of Bernalillo County, New Mexico, which is shown in Exhibit A of This Declaration.

(B) The Property, herein later defined, is subject to This Declaration as collectively stated in the Original Declaration, Supplemental Declarations No. 2 and No. 3 of Planned Residential Community, and as later added to by the warranty deed for Area "O" Unit 1, defined in the replat recorded August 5, 1976, of Tract 2, Unit 1, and the warranty deed for Tracts 3, 4 and 5, all of which are represented by the plats and replats described in Exhibit B of This Declaration.

(C) Supplemental Declaration No. 15, filed with the Bernalillo County Clerk on July 22, 1998, document number 1998091215 (Book 9812), page number 9503, of Planned Residential Community established annual assessments for Living Units for 1998, 1999, and 2000. The Association will duly adopt a Supplemental Declaration for the years 2001, 2002 and 2003, following the Original Declaration, and that Supplemental Declaration will govern Annual Assessments until the Effective Date of This Declaration.

(D) Amended Bylaws of the Association, approved by the Association at the same time as This Declaration, will be filed with the State Corporation Commission, and will be effective on the Effective Date of This Declaration.

(E) All development rights belong only to the Association.

(F) If any portion or application of This Declaration is held by a court to be invalid, the remainder of the Declaration or its application to other situations and persons will continue in full force and effect and will be enforceable, but will be construed in a manner consistent with the court's decision.

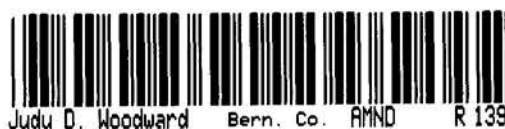
(G) All previous Regulations currently in force are adopted and remain in force except as made obsolete by This Declaration.

ARTICLE II

DEFINITIONS

The following words and their derivations have the following meanings when used herein:

- (a) "Annual Assessment" means the assessment for an Assessment Year established according to Article V, Section 3 of This Declaration.
- (b) "Assessment" means the Annual Assessment and/or a Special Assessment.
- (c) "Assessment Year" means the Association's fiscal year, as determined by the Board, for purposes of Assessments.
- (d) "Association" means the La Luz Landowners Association, a New Mexico nonprofit corporation, and its successors.
- (e) "Board" means the Board of Directors of the Association.
- (f) "Common Area" means any and all areas of the Property not designated as a Living Unit and includes the facilities thereon which are intended for the common use and enjoyment on the Common Area.
- (g) "Costs" means penalties, charges, attorneys' fees, costs of collection and interest at the rate of ten percent (10%) per annum, attached to Living Units with delinquent accounts to enforce compliance with payment of Assessments, Special Charges and previously accrued Costs.
- (h) Declaration: "This Declaration" means this First Amended and Restated Declaration of Planned Residential Community, and any Supplemental Declaration filed hereafter. The "Original Declaration" means the Declaration of Planned Residential Community filed with the Bernalillo County Clerk February 10, 1969, as amended and supplemented.
- (i) "Implied Consent" means, when the provision is stated to be applied, the deemed approval of any Member on an issue on which he or she fails to cast a vote or ballot, as defined in Article III, Section 4 of This Declaration.
- (j) "Living Unit" means any portion of a building on the Property designed and intended for use as a single family dwelling, and includes, only for purposes of defining maintenance responsibilities, any appurtenant structures and other portions within the platted boundaries of that dwelling.
- (k) "Member" means any person or entity who is a record owner of a fee or fee interest in any Living Unit as defined in Article III, Section 1 of This Declaration.
- (l) "Office" means a building designed as an office, shown as "1 Office" in Area C of Unit 1 in the replat of Units 1, 2 and 3 of La Luz Del Oeste, filed with the Bernalillo County Clerk on December 28, 1973.
- (m) "Procedures" are the particular ways and methods adopted as policy by the Board from time to time for the accomplishment of the responsibilities of Members, officers, Board members, committees, and employees of the Association, as permitted by This Declaration and the Bylaws of the Association.



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(n) "Property" means the real property described on Exhibit B of This Declaration, and all additional real property made subject to This Declaration as allowed by This Declaration.

(o) "Regulations" are those rules and instructions adopted by the Board from time to time to be followed by the Members and the Association's employees in meeting the objectives of This Declaration and the Bylaws of the Association, as these documents permit.

(p) "Reserves" means funds owned by the Association which are held for required capital outlays for replacement of physical assets, depreciation, purchase of new equipment, emergency expenditures, or other purposes as determined by the Board, all as required or permitted by Article V, Section 6 of This Declaration.

(q) "Special Assessment" means an assessment, in addition to the Annual Assessment, established pursuant to Article V, Section 4 of This Declaration.

(r) "Special Charge" means a charge to various Members, as determined by the Board, to defray the expense of providing a special service or benefit to a particular Member that does not apply to all Members or for other purposes as permitted in Article V, Section 5 of This Declaration.

(s) "Supplemental Declaration" means any instrument which amends or terminates This Declaration, or which accomplishes some action taken under This Declaration, and which has been executed and acknowledged in the manner required by This Declaration and recorded with the Bernalillo County Clerk.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP. Every person or entity who is a record owner of a fee or undivided fee interest in any Living Unit will be a Member. The rights of membership, including the right to participate in Association affairs, the right to vote, and the right to use the Common Area, are subject to suspension by the Board during any period in which any Assessment, Special Charge or Costs payable by the Member remains unpaid, and for a minimum period of thirty (30) days (or such greater period as set forth by the Board in a Regulation) for an infraction of the Declaration, Articles of Incorporation, Bylaws or Regulations of the Association.

Section 2. VOTING RIGHTS. Each Member will have one vote for each Living Unit in which he or she holds the interest required for membership in the Association. When more than one person or entity holds such an interest in a Living Unit, all will be Members, and the vote for the Living Unit will be exercised as they among themselves determine, but no more than one vote may be cast with respect to any Living Unit.

Section 3. NOTICES.

(A) Any Notice required to be sent to any Member under the provisions of This Declaration will be deemed to have been properly sent when mailed, postpaid, to the last known address of the person or entity who appears as a Member on the records of the Association at the time of such mailing. Any Notice will comply with the requirements for

notification, if the Notice is mailed by U.S. post and does not bear a postmark later than the deadline for notification. Any Member also will be considered duly notified if any Notice is hand-delivered to the last known address of the Member and a signed receipt of delivery is obtained from any person of legal majority at that address.

(B) Any Notice sent to Members will also be sent to the owner of the Office or to its successors and assigns when such Notice concerns Assessments, both Annual and Special, or any meeting of the Board or the Association.

Section 4. **IMPLIED CONSENT OF MEMBERS.** Where specified in the Declaration or Bylaws that the Implied Consent provision applies to an approval by the Members, the failure of a Member to cast a vote, either in person, by proxy or by ballot, as specified in the Notice concerning the vote, will be deemed approval by that Member of all portions of the issue being submitted to that vote.

ARTICLE IV

THE COMMON AREA

Section 1. **USE OF COMMON AREA.** The Common Area is intended for, and restricted to, the use shown on the instrument designating its status as the Common Area, or the use established by Association's Regulations. Every Member has a right to use the Common Area, and that right is appurtenant to, and passes with, the Member's Living Unit. Any Member may in the manner provided by the Association's Bylaws extend that right to the members of the Member's family who reside on the Property, or to any tenant of the Member who resides on the Property. A previous Member possesses no right to use of the Common Area when that Member has conveyed the interest in his or her Living Unit to another Member.

Section 2. **EXTENT OF MEMBERS' RIGHT OF USE.** The right of a Member to use the Common Area is subject to the right of the Association:

(A) to borrow money to improve the Common Area, and to encumber the Common Area to secure the loan; however, the lender's rights against the Common Area upon default will be limited to a right to take possession of the Common Area, to charge admission fees as a condition to continued enjoyment by the Members, and to open the enjoyment of such properties to a wider public until the debt is satisfied, whereupon the possession of the Common Area will be returned to the Association, and the Members' rights will be restored; and

(B) to suspend the use rights of any Member for any period during which the membership rights of the Member are suspended; and

(C) to charge reasonable admission and other fees for the use of the Common Area; and

(D) to grant an easement, permanent or temporary, to or through all or part of the Common Area to a public agency, authority, or utility for such purposes and subject to such conditions as are determined by the Board; and



(E) to establish and publish Regulations and Procedures governing the use of the Common Area and its facilities and the personal conduct of the Members and their guests thereon.

Section 3. TITLE TO COMMON AREA. The Association will hold title to the Common Area. The Association will maintain title insurance on the same.

Section 4. DIVISION OF THE COMMON AREA. The Common Area and its facilities will remain undivided, and no Member nor any other person or entity will bring any action for partition or division unless the property has been removed from the provisions of the Declaration.

ARTICLE V

ASSESSMENTS

Section 1. LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.

(A) Each Member by acceptance of indicia of ownership of a Living Unit, whether or not expressed in the indicia, promises to pay to the Association for each Living Unit owned by such Member: (i) Annual Assessments, (ii) Special Assessments, (iii) Special Charges and (iv) Costs. The due date for all required payments of Annual Assessments, Special Assessments, Special Charges and Costs begins on a date or dates determined by the Board and will be prorated for partial Assessment Years. When a delinquency occurs as specified this Article V, Section 7 of This Declaration, Costs relating to the delinquency will be charged including interest from the date any portion of such Costs is incurred, and there will be a continuing lien on the Living Unit against which all Assessments, Special Charges and Costs relate, and also said Assessments, Special Charges and Costs will be the personal obligation of the Member or Members of the Living Unit.

(B) Pursuant to an agreement as defined in Article X, Section 6 of This Declaration, the owner of the Office will pay an Assessment to the Association equal to sixty-five percent (65%) of the Annual Assessment. In addition, the owner of the Office will pay one hundred percent (100%) of that portion of any Special Assessment which is stipulated to be used for a purpose other than recreational purposes.

Section 2. PURPOSE OF ASSESSMENTS.

(A) Assessments will be used exclusively for: promoting the recreation, health, safety, welfare and enjoyment by Members, including but not limited to the repair, maintenance, replacement, restoration, improvement of and/or additions to the properties, services, and facilities devoted to these purposes; payment of taxes and insurance; and the cost of labor, equipment, materials, management and supervision.

(B) For tax assessment or valuation and payment of taxes, the Association is the owner of the Common Area, which is divided into parcels for these purposes, and the Members are the owners of the Living Units, also identified as individual parcels.



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Section 3. ANNUAL ASSESSMENTS.

(A) The Board will establish the Annual Assessment amount for each Assessment Year. The change will be effective when the Members approve the Annual Assessment and the Board causes a Supplemental Declaration setting forth the change to be executed, acknowledged, and recorded with the Bernalillo County Clerk. Approval will require that Members be given a twenty (20) day written Notice of the proposed change, followed by a consenting vote by Members representing a majority of all Living Units, with the Implied Consent provision applied. In this manner, the Association may change prospectively the basis or maximum amount of the Annual Assessment for the next succeeding three Assessment Years, and at the end of each such period of three Assessment Years, for each succeeding period of three Assessment Years. The Annual Assessment will be due and payable in twelve (12) equal monthly installments during the Assessment Year on the day of the month (which need not be uniform as to all Living Units) set by the Board. If an Annual Assessment is not approved for any period, the most recently existing Annual Assessment will remain in force until superseded by a new Assessment. The failure or delay of the Board to establish a budget for any Assessment Year does not constitute a waiver of any Member's obligation to pay the most recently established Annual Assessment.

(B) On the Effective Date of This Declaration, the Annual Assessment, and any Special Assessment if it exists, will be the same Annual Assessment (with no change in its three-year period) and Special Assessment existing on the last day that the Original Declaration was in force, and will continue without interruption or change except as This Declaration provides.

Section 4. SPECIAL ASSESSMENTS. The Board may establish and the Members may approve in any Assessment Year, in addition to the Annual Assessment, a Special Assessment for that Assessment Year to defray, in whole or in part, (i) any unanticipated repair or replacement, or capital improvement or expenditure, whether in the Common Area or property of the Association, and (ii) any other expense considered necessary by the Board. Each Special Assessment will be presented to the Members in a levying resolution which itemizes the expense to be covered with respect to whether it is: (i) for recreational purposes (ii) for exterior beautification and landscaping or (iii) other purposes. Approval will require that Members be given a twenty (20) day written Notice followed by a consenting vote by Members representing a majority of Living Units, with the Implied Consent provision applied. The Special Assessment, after approval, will be effective when the Board causes a Supplemental Declaration setting forth the purpose, amount and payment schedule to be executed, acknowledged, and recorded with the Bernalillo County Clerk.

Section 5. SPECIAL CHARGES.

(A) The Board may establish by Regulation or otherwise and may impose on certain Members Special Charges for any one or more of the following purposes:

(i) to cover fully or partially the costs of services, facilities and/or benefits provided directly or indirectly by the Association to one or more Members, which services, facilities and/or benefits may not be available to and/or used by all

of the Members equally, or which otherwise should not be charged to every Member; and

- (ii) without limiting the generality of the foregoing, (a) to regulate and/or control the rental, leasing and other arrangements pertaining to absentee ownership of Living Units, including, without limitation, Special Charges to discourage recurring short-term (as defined by the Board) rentals of Living Units; and (b) to receive remuneration for the extra or separate costs incurred by the Association due to the absence of the Member or Members of a Living Unit for an extended period of time, such extended period as defined by the Board; and
- (iii) to discourage and/or penalize repeated violations or acts creating special, extraordinary or repeated costs to the Association by a Member, by the members of a Member's family, by a guest of a Member or by the tenant of a Member, of any of the provisions of This Declaration, Articles of Incorporation, Bylaws and/or Regulations.

Special Charges may be billed either as part of the monthly installment of Assessments or as a separate billing to each Member charged therewith, and said Member will pay them as part of the monthly installment of the Assessment or according to the separate billing statement, as the case may be.

(B) Any Member billed for a Special Charge may appeal that Special Charge by written statement to the Board or in person at the meeting of the Board next following the date of the billing of the Special Charge, and the decision of the Board on the appeal will be final and will not be subject to arbitration.

Section 6. RESERVES. The Board will build up and maintain reasonable Reserves for capital operations, replacements, contingencies and restoration, especially, but not exclusively, for the particular purposes set forth in Section 2 of this Article. Reserves may be established for purposes of making specific capital additions to the Common Area. Annual Assessments will, and Special Assessments may, in part, be used for the maintenance of such Reserves. The Board will establish policies governing the Reserves with respect to, but not limited to, depreciation rates, replacement schedules and sinking fund calculations.

Section 7. THE REMEDIES FOR NONPAYMENT OF ASSESSMENT.

A) If any installment of an Annual Assessment, Special Assessment, Special Charge and/or Costs is not paid within ten (10) days after it is due, it is delinquent. A delinquency, once established by the provisions in this or other Sections, will continue as a delinquency until the entire account associated with that Living Unit is current. When any installment of an Annual Assessment, Special Assessment, Special Charge and/or Costs is delinquent, the Board may declare all Costs and the entire Annual Assessment, Special Assessment and all Special Charges against the Living Unit for the next twelve (12) months due and payable, with an adjustment to reflect any new assessment schedules already adopted for the succeeding Assessment Year. When a delinquency exists, the Association may bring a civil action to enforce payment of the personal obligation, or to foreclose the lien against the Living Unit, or both. No action will be brought to foreclose a lien less than thirty (30) days after the date a notice of claim of a lien is provided to the



Member, and a copy thereof is recorded by the Association in the office of the Bernalillo County Clerk; said notice of claim must recite a sufficient legal description of any such Living Unit, the record owner or reputed owner thereof, the amount claimed and the name and address of the Association. Pending judgment in a foreclosure action the Association is entitled to appointment of a receiver to take charge of the Living Unit, and may expel the owner and/or any resident including a tenant from occupancy of the Living Unit. Any such foreclosure sale is to be conducted following the customary practice of the court of the State of New Mexico, applicable to the foreclosure of mortgages, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, will have the power to bid on the Living Unit at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. After foreclosure, owners will have the shortest statutory right of redemption then allowed for liens of any kind on real property. The Board may make other Procedures and Regulations with respect to remedies and enforcement thereof, consistent with the Declaration, as the Board determines to be reasonable and fair.

(B) If the Board declares the next 12-months Assessments, Special Charges and Costs immediately payable on a delinquent account, and a portion of the twelve months extends into an Assessment Year for which there has not yet been approved an Annual Assessment, the current Annual Assessment rate will be prorated for that portion. If a higher Annual Assessment is later approved for that succeeding Assessment Year, the Member is not relieved from the obligation to pay the balance due of that higher Annual Assessment, nor is the Member relieved from responsibility for any future Special Assessment, Special Charges or Costs that accrue in that succeeding Assessment Year. The Board may make Procedures and Regulations concerning the prorating of Special Charges and Costs associated with the calculation of the 12-month payment.

Section 8. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the Assessments, Special Charges and Costs will be subordinate to the lien of any mortgage made in good faith and for value placed upon the Living Unit; however, such subordination applies only to the Assessments, Special Charges, and Costs due before a sale or transfer of the Living Unit pursuant to a decree of foreclosure, or any transfer in lieu of foreclosure. The sale or transfer does not relieve the Living Unit from the liability for, or lien of, Assessments, Special Charges, and Costs thereafter becoming due.

ARTICLE VI

ARCHITECTURAL STANDARDS

(A) No alteration of, nor any construction on, any exterior may be begun on any Living Unit and/or on the Property until plans and specifications describing the proposed alteration or construction have been submitted and approved in writing as to harmony of external design, preservation of views and location in relation to surrounding structures and topography by the Board or a Committee of the Association appointed for that purpose by the Board pursuant to the Association's Bylaws. The failure to approve or

deny any matter within thirty (30) days after submission will be deemed equivalent to written approval. Written approval by the Committee, or in the event that it is not functioning or does not exist, by the Board, is conclusive proof of compliance with this Article; however the Board has final authority over this appointed Committee's decision, like it has over all Committees' decisions. Any such decision by the Board will be final and unappealable.

(B) Any violation of an architectural Regulation pertaining to a Living Unit that is not corrected within one hundred twenty (120) days after delivery of written notification of the violation to the owner may, in the discretion of the Board, be recorded as a lien of the Association on that Living Unit for the costs estimated by the Board for complete remediation of the violation, and said lien may be foreclosed in a manner provided by law for foreclosure of mortgages, anytime by the Board for the Association. No action will be brought to foreclose a lien less than thirty (30) days after the date a notice of claim of lien is provided to the Member, and a copy thereof is recorded by the Association in the office of the Bernalillo County Clerk; said notice of claim must recite a sufficient legal description of any such Living Unit, the record owner or reputed owner thereof, the amount claimed and the name and address of the Association. Any such foreclosure sale is to be conducted in accordance with the customary practice of the court of the State of New Mexico, applicable to the foreclosure of mortgages, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, will have the power to bid on the Living Unit at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

ARTICLE VII

CHANGES TO PROPERTY AND ENCUMBRANCES

Section 1. ADDITIONS.

(A) The owner of any real property may subject that real property to the Declaration, with the approval by Members representing a majority of Living Units with the Implied Consent provision applied, after Members are given twenty (20) days prior written Notice. Upon a merger, consolidation or amalgamation of the Association with another entity, the properties of the other entity may be transferred to the Association without becoming subject to the Declaration, or the Property may be transferred to the other entity, and the continuing entity will administer the Property under the Declaration, and will administer the properties of the other association under the covenants and restrictions established on the other properties. However, no combination nor entities will amend This Declaration, or make properties subject to the Declaration without compliance with the other provisions of the Declaration.

(B) With the approval by Members representing a majority of Living Units, with the Implied Consent provision applied, and after giving Members twenty (20) days written Notice, the Association may acquire property by purchase. After such an acquisition is duly approved by Members and the Association receives title to that property, the instrument of transfer will be recorded with the Bernalillo County Clerk. The property will then automatically become part of the Property and will be governed by the Declaration.

(C) Despite any approval requirements in This Declaration, no Association approval is required for taking title to property specified in that Agreement of May 9, 1973, referred to in a Memorandum of Agreement, recorded on May 21, 1973 as County File Record No. 52729 on County File Page No. 638 to 640 with the Bernalillo County Clerk, which provides for the eventual conveyance to the Association of a parcel of approximately thirty (30) acres (the "Open Lands" parcel). The Open Lands parcel will be added to the Property and joined with the Common Area under the ownership of the Association without further action by the Members and will then become subject to This Declaration and any amendments or supplements thereof.

Section 2. DOCUMENTATION OF ADDITIONS. Additional properties may be made subject to the Declaration only by the owner thereof executing, acknowledging, and recording with the Bernalillo County Clerk a Supplemental Declaration making the properties subject to the Declaration. The Supplemental Declaration may contain complementary modifications to the Declaration necessary to reflect the character of the newly subject properties, and consistent with the scheme of the Declaration, but may not modify the Declaration regarding Property other than that being made subject to the Declaration.

Section 3. EXCHANGE OR SALE OF PORTIONS OF COMMON AREA.

After giving twenty (20) days written Notice, with approval by Members representing two thirds (2/3) of all Living Units, the Association may exchange or sell portions of the Common Area under any of the following three conditions.

- (i) Exchange of a portion of the Common Area. The Association may exchange part of the Common Area that includes one or more segments of the Property's boundary for other land. The Board will have determined that the proposed change will significantly benefit the Association. The exchange may involve monetary compensation to the Association.
- (ii) Sale of an insignificant portion of the Common Area. The Association may sell an area on the Property's boundary, containing less than two (2) acres, which the Board concludes: (a) is of greater benefit to the Association to be owned by another entity rather than to continue to be part of the Property, and (b) is not contiguous with another area that has been exchanged or sold, and (c) is being sold for fair consideration.
- (iii) Sale under threat of condemnation. The Association may sell, after the Board has been approached by and negotiates with the condemning authority, a portion or portions of the Common Area for the purposes of enhancing the public rights-of-way for streets, highways, other modes of transportation and/or utilities. The negotiations will secure for the Association the maximum benefit with the minimum detriment to the Property.

Approval in each case will become effective immediately after the Board causes a Supplemental Declaration showing the transfer to be executed, acknowledged and recorded with the Bernalillo County Clerk, and once the conveyance is made, any new

area obtained is made subject to the Declaration, and, where applicable, substituted in the Declaration for that portion of the Common Area for which it was exchanged.

Section 4. BORROWING.

(A) To borrow money, if the loan is secured by real property and would result in a total monetary contractual liability equal to or less than twice the Annual Assessment at the time of application for the loan, consent by the Members will be required and such approval will require twenty (20) days prior written Notice with the consent of Members representing a majority of all Living Units with the Implied Consent provision applied.

(B) To borrow money that would result in a total monetary contractual liability exceeding twice the Annual Assessment at the time of application for the loan, approval by the Members will be required and such approval will require the "Special Assent" of Members with a "Special Quorum" prevailing as stipulated and defined in the Articles of Incorporation.

(C) If the approval of the Members to borrow money is not specifically required as stated in this Section, the Board will have the power to approve and to make all decisions affecting such borrowing.

Section 5. EASEMENTS. The Association may grant, convey, lease or otherwise transfer (individually or collectively called "Transfer") an easement, permanent or temporary, with or without compensation, to or through all or part of the Common Area to a public agency, authority or utility for such purposes and subject to such conditions as are agreed to by the Members. Such Transfer of easement, and determination of purposes and conditions, will require that each Member be given twenty (20) days prior written Notice of the proposed Transfer of easement, and Members representing a majority of all Living Units, with the Implied Consent provision applied, approve by ballot, proxy or vote in person, according to the procedure determined by the Board. The Transfer of easement will become effective when it is approved, such approval is delivered to the transferee, and the Transfer is recorded with the Bernalillo County Clerk in a Supplemental Declaration setting forth the nature, purpose and conditions of the Transfer of easement.

ARTICLE VIII

MAINTENANCE RESPONSIBILITIES

Section 1. UPKEEP OF THE PROPERTY.

(A) The Association is responsible for maintenance, repair and replacement and restoration of the Common Area and all facilities, equipment and plantings on the Common Area, and each Member is responsible for maintenance, repair, replacement and restoration of his or her Living Unit and for its upkeep. Should a Living Unit deteriorate so as to jeopardize property values of the Property or of other Living Units, or to violate the Regulations adopted in pursuance of Article VI, "Architectural Standards," the Association may provide for the maintenance, repair, replacement and/or restoration of the exterior of the Living Unit and assess the Member the costs thereof. The Association may provide in appropriate Regulations for the specific delineation of responsibilities among

Members, the Association, utilities providers, the City of Albuquerque and other providers of services entering the Property. In cases where the Board judges that sufficient confusion or uncertainty exists, the divisions of such responsibilities are not required to match precisely the platted boundaries, but will match as reasonably and fairly practicable.

(B) The necessary work of maintenance, repair, replacement and restoration of the Common Area and facilities and the making of any additions or improvements thereto will be carried out only as provided by the Declaration, Bylaws and Regulations of the Association.

Section 2. ASSESSMENT OF COST. The cost of maintenance, repair, replacement or restoration performed by the Association for a Member on that Member's Living Unit will be added to and become part of the Annual Assessment to which such Living Unit is subject. As part of the Annual Assessment, that cost will be a lien on the Living Unit, will be the personal obligation of the Member, and will be due and payable in the same manner as the Annual Assessment.

Section 3. ACCESS.

(A) The Association will have the irrevocable right of access, exercisable in accordance with Regulations adopted by the Board, to or through each Living Unit, from time-to-time during reasonable hours as may be necessary for the maintenance, repair, replacement or restoration of any of the Common Area and facilities therein, thereon or accessible therefrom, and for making repairs necessary to prevent damage to the Common Area and facilities or to another Living Unit. If damage is inflicted on the Common Area or any Living Unit through which access is taken, the Member or the Association, whichever is responsible for the damage, is liable for the prompt repair thereto.

(B) In an emergency, which may involve potential loss of life, personal injury or serious property damage to the Common Area or other Living Units, no request or notice is required to afford access into any Living Unit by an officer, an agent or employee of the Association. Such right of entry will be immediate and with such force as is apparently necessary, whether or not the Member or his or her representative is present.

(C) Access to Living Units for the purpose of reading, repairing, or replacing utility meters and related pipes, valves, wires, cables and equipment is the responsibility of, and will be arranged by, the Members with the appropriate public utility.

(D) Access to repair or restore that portion on or under the Common Area of a utility serving one or more Living Units will be granted on reasonable notice by the Association, which may then serve to coordinate the interests of the Members and the Association with the utility or utilities involved. The Association (if Association Property is involved), through its agents or employees, or the Member or tenant of the Living Unit affected (if the Living Unit is involved), will afford immediate access to the site requiring immediate repair, taking care to protect the interests of the Association and those of the Living Units affected.



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ARTICLE IX

PARTY WALLS

Section 1. GENERAL PROCEDURES AND ALTERATIONS.

(A) Each wall built as part of the original construction of a Living Unit and placed on the dividing line between the Living Units will constitute a party wall, and to the extent consistent with This Declaration, the general rules of law regarding party walls and liability for property damage due to negligent or willful acts or omissions will apply to the party wall. If any party wall encroaches on any Living Unit or Common Area, a continuing easement for the encroachment and its maintenance will exist while the party wall exists.

(B) A Member or two different Members owning two adjoining Living Units may, with the Association's approval, place openings in the party walls. Approval for such openings will require consent of Members representing a majority of all Living Units with the Implied Consent provision applied, and the Members given twenty (20) days prior written Notice. The two Living Units will not be redefined as one Living Unit. Unless adjoining Living Units with a common opening are both transferred together to the same new owner, the openings will be closed and the party wall restored to its original condition as built, subject to the Association's written verification, before one of the Living Units is conveyed to a new owner.

Section 2. COST OF REPAIRING AND MAINTENANCE. The cost of reasonable repair and maintenance of a party wall will be shared by the Members whose Living Units use the party wall in proportion to such use. Any Member who by negligent or intentional act causes to be exposed to the elements part of a party wall that is not intended to be so exposed will bear the whole cost of furnishing the necessary protection for the party wall against such elements.

Section 3. DESTRUCTION BY FIRE OR CASUALTY. If a party wall is destroyed or damaged by fire or other casualty, any Member whose Living Unit used the party wall may restore it, and if the other Members later make use of the wall, it will continue to be a party wall. The Members whose Living Units share the party wall will contribute to the cost of restoration of the party wall in proportion to their use, but without limiting the right of any Member to call for a larger contribution from the other Members under any rule of law regarding liability for negligent or intentional acts or omissions.

Section 4. RIGHT TO CONTRIBUTION RUNS WITH THE LAND. The right of any Member to repair, maintain and restore a party wall, and the right to receive contribution from any other Member under this Article is appurtenant to the Living Unit using the party wall and passes to the Member's successors in title whether or not the indicia of transfer specifically refers to the right. The accrued obligation to contribute a specific amount does not pass to the Member's successor in title unless specifically assumed by the successor, and is not a charge against or lien on the Living Unit.

Section 5. SUBDIVIDING OF UNITS. No Living Unit will be subdivided.



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ARTICLE X

CONTINUED GOVERNANCE AND ENFORCEMENT

Section 1. DURATION. The Property will be owned and transferred subject to the Declaration. The provisions of This Declaration are "covenants running with the land," will run with and bind the land, and will bind, inure to the benefit of, and be enforceable by, the Association, or any Member, and their respective legal representatives, heirs, successors, and assigns, in perpetuity or until amended, from the Effective Date of This Declaration.

Section 2. ENFORCEMENT.

(A) The Declaration, the Articles of Incorporation, Bylaws and Regulations of the Association, may be enforced by any proceeding at law or in equity (i) against any person violating or attempting to violate the Declaration, the Articles of Incorporation, the Bylaws, and/or the Regulations, and any such proceeding may be for the purpose of any one or more of the following: (a) restraining the violation, (b) specifically enforcing a requirement, (c) recovering damages and/or (d) other remedy; and (ii) against the land to enforce and/or foreclose any lien created by the Declaration, the Articles of Incorporation, the Bylaws and/or the Regulations. The failure by the Association or any Member to enforce the Declaration, the Articles of Incorporation, the Bylaws and/or the Regulations is not a waiver of the right to do so thereafter. The Members and the Association will not violate the provisions of the Declaration, the Articles of Incorporation, the Bylaws nor Regulations of the Association. The Board may enact Regulations and/or Procedures to enforce the intent of the Declaration, Articles of Incorporation or Bylaws.

(B) If any person, who is visiting or residing in a Living Unit, causes, because of that person's negligence, intention to act, or by accident: (i) damage or other loss to the Common Area, facilities, improvements, equipment or any other property of the Association; and/or (ii) other economic loss to the Association, then the Board may assess and impose a Special Charge (the purpose of which is to reimburse the Association for costs and expenses of fully and completely repairing that damage and restoring the Common Area, facilities, improvements, equipment, property, loss and/or other economic loss) on the owner or owners of the Living Unit where said person was visiting or residing.

Section 3. POWERS OF THE ASSOCIATION. The Association will have and exercise all powers necessary, proper and convenient to effect any or all the purposes for which the Association is organized, and will to exercise all other powers, consistent with the Declaration, Articles of Incorporation and Bylaws, that may legally be exercised by a nonprofit corporation in the state of New Mexico.

Section 4. THE BOARD ACTS FOR THE ASSOCIATION. Unless This Declaration, the Articles of Incorporation or Bylaws so state that Membership approval is specifically required for some decision, the Board will be deemed to have the authority to act for the entire Association.

Section 5. EXTERNAL RELATIONSHIPS. The Board will set policy and/or establish Regulations as required pertaining to the Association's external and internal affairs, including but not limited to, political activities, alliances, taking of positions, making public statements, and the relationship between the Association and internal groups and individuals.

Section 6. RELATIONSHIP OF ASSOCIATION TO OWNER OF OFFICE. The rights and obligations of the Association and the owner of the Office will be governed by the document, "Agreement Concerning Office," between Ovenwest Corporation, a New Mexico corporation, and the Association, dated and notarized on June 20, 1984. As stipulated in the Agreement Concerning Office, the rights and obligations of both parties run with the land, and will be binding upon Ovenwest and the Association, and their respective successors and assigns. The owner of the Office is also bound by This Declaration except as otherwise agreed to in the Agreement Concerning Office. The Board will have the authority to negotiate changes to the Agreement Concerning Office with the owner of the Office.

Section 7. ARBITRATION OF DISPUTES.

(A) The Board, acting for the Association, may provide for arbitration of disputes between two or more Members, between a Member and the Association or involving any of the several Committees. The Board may first adjudicate the dispute, and if resolution fails there, the Board may direct arbitration between the disputing parties, including itself if a disputant. However, the Board will not submit nor become a party to arbitration of a dispute when the dispute involves the establishment, collection and/or enforcement of any one or more provisions of the Declaration, a Supplemental Declaration, the Articles of Incorporation, the Bylaws and/or the Regulations relating to Assessments, Special Charges, Costs, penalties and liens.

(B) The Board may seek arbitration for any unresolved dispute between the Association and the owner of the Office.

(C) The Board may determine reasonable and fair arbitration procedures and set them forth in Regulations.

Section 8. MEMBERS' RIGHT TO RECORDS.

(A) The Association will make all financial and other records reasonably available for examination by any Member and his or her authorized agent. On request by a Member, the Association will furnish a certificate showing the financial account of all Assessments, Special Charges and Costs paid by the Living Unit account, and any conditions pertaining to the Living Unit not conforming to architectural Regulations, and such certificate will be conclusive evidence of payment of any Annual Assessment, Special Assessment, Special Charges and Costs therein stated to have been paid, and/or that the architectural conformity of the Living Unit is as stated. The certificate will include: (i) the statement that the current Member is not liable to any other person or entity, such as a prospective purchaser of the Living Unit, for any incorrect information provided by the Association and not included in the certificate, and (ii) copies of statements illustrating the financial position of the Association. The Association will not later collect greater Assessments nor charges than those revealed on the certificate.



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(B) The Association will provide a Member on request, within ten (10) working days of receipt of request, a copy of the Declaration, pertinent plats and plans, Articles of Incorporation, Bylaws and Regulations. The Board may establish a reasonable Special Charge related to providing these copies.

(C) The Association will attempt to send to each Member, within ten (10) working days of its being recorded with the Bernalillo County Clerk, a Notice describing each Supplemental Declaration, accompanied by an appropriate explanation and instruction for the Member to meet its requirements.

Section 9. AMENDING.

(A) This Declaration may be amended by approval of Members representing two thirds (2/3) of all Living Units, voting either in person, by proxy, or by ballot. Each Member will be sent a Notice showing the proposed amendment along with the existing portion of This Declaration which would be affected by the amendment, and such Notice of amendment to This Declaration or replacement of This Declaration must be given sixty (60) days prior to either the deadline for balloting or the membership meeting for the purpose of voting, whichever applies. The Supplemental Declaration amending or replacing This Declaration will become effective immediately after being duly approved by the membership and the Board causes it to be executed, acknowledged and recorded with the Bernalillo County Clerk.

(B) The Bylaws of the Association may be amended by the procedure stated in those Bylaws.

Dated Nov. 30TH, 1998.

La Luz Landowners Association

By

Johnson

President


and

N. S. N.

Vice President

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

This instrument was acknowledged before me on this 30th day of November, 1998, by Ann Kais Johnson, President of La Luz Landowners Association.

 OFFICIAL SEAL
THEODORE S. CHURCH
NOTARY PUBLIC-STATE OF NEW MEXICO
My Commission Expires 3 May 2000

Theodore S. Church
Notary Public

My Commission Expires:

3 May 2000



Judy D. Woodward

Bern. Co. AMND

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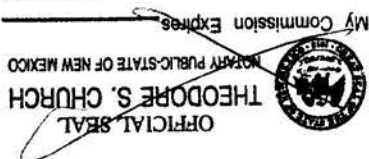
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STATE OF NEW MEXICO)
)ss.
 COUNTY OF BERNALILLO)

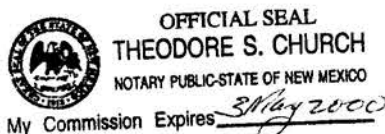
This instrument was acknowledged before me on this 30th day of November, 1998, by N. Lynn Peals, Vice President of La Luz Landowners Association.



Theodore S. Church
 Notary Public

My Commission Expires:

3 May 2000



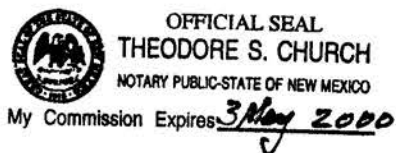
ATTESTATION:

I attest that This Declaration has satisfied the notification and approval requirements for amendment of the Original Declaration, as indicated by the approval pages attached hereto.

Frank W. Hle
 Secretary

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

This instrument was acknowledged before me on this 28th day of November, 1998, by Frank W. Hle, Secretary of La Luz Landowners Association.



Theodore S. Church
 Notary Public

My Commission Expires:

3 May 2000



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THIRD
SUPPLEMENTAL
DECLARATION
OF
PLANNED RESIDENTIAL COMMUNITY

Ovenwest Corporation (hereinafter called "the Developer") declares that:

1. Developer filed a Declaration of Planned Residential Community, and a Supplement, and a Second Supplement thereto (hereinafter collectively called "the Declaration"). The Declaration created "La Luz", known legally as Units One, Two, and Three of La Luz Del Oeste, a subdivision of the City of Albuquerque, (hereinafter called "La Luz").
2. Developer filed various plats and maps with the Bernalillo County Clerk describing portions of La Luz, designating Living Units and Common Areas in La Luz, and reserving certain benefits for the residents of La Luz. The plats and maps, and the property descriptions in the Declaration, containing errors, omissions, inadvertent inclusions, and similar scrivener's errors requiring correction [*sic*].
3. On December 28, 1973, Developer filed a Replat of Units 1, 2 and 3 of La Luz Del Oeste (hereinafter called the Replat). The Replat corrects the various errors and describes the land within La Luz, the land therein which is Common Area, the tracts of land therein which are not Common Area, and the parcels of land therein which are Living Units.
4. Contemporaneously with the filing of this Third Supplemental Declaration, Developer has signed and delivered to the La Luz Landowners Association ("Association") a deed conveying Tract 1 of the Replat to the Association. This Tract constitutes "Common Area" as that term is defined and used in Article I Paragraph (c) of the Declaration and is transferred to the Association pursuant to Section 3 of Article III of that Declaration.

Exhibit A Page 1 of 3



5.* The Replat shows the exterior boundary of La Luz and of Tracts 1, 2, 3, 4 and 5 therein. The Replat intended to be the authoritative and final designation of such boundaries. Any land not included within the exterior boundary of Tract 1 is owned by the Developer, is not Common Area and is not subject to the Declaration. Likewise, land within the exterior boundary of Tract 1 designated as "office" is owned by Developer, is not Common Area, and is not subject to the Declaration. To the extent the Replat is not consistent with plats previously filed, the Replat shall govern.

6. Developer reserves to itself and to Ray A. Graham, III, a married man, as his separate property, the following easements upon the Common Area:

(a) A perpetual non-exclusive easement for ingress and egress by vehicular and pedestrian traffic over all roadways and private roads existing within the exterior boundaries of Tract 1 of the Replat of Units 1, 2 and 3, La Luz Del Oeste, plat filed December 28, 1973, Bernalillo County Clerk's Office, New Mexico.

(b) A perpetual non-exclusive easement for ingress and egress by vehicular and pedestrian traffic over all roadways and private roads within the above-described Tract 1 to and from adjacent lands of Ovenwest Corporation or Ray A. Graham, III.

(c) A perpetual non-exclusive easement over the above-described Tract 1 to tie into presently existing or hereafter constructed utility lines and facilities.

DATED: December 28, 1973.

OVENWEST CORPORATION

By s/ Ray A. Graham, III

Ray A. Graham, III
President

and s/ Graham Browne

Graham Browne
Secretary

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* This paragraph 5 has been superseded [compiler's note].



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[illegible]

The foregoing was acknowledged before me this 28th day of December, 1973, by Ray A. Graham, III, President, and Graham Browne, Secretary, of Ovenwest Corporation, a New Mexico corporation, on behalf of said corporation.

s/ ? (illegible)
Notary Public

My commission expires: 11-16-76

(County of Bernalillo
ss: (
(State of New Mexico

**This instrument was filed for record on
Dec 28, 1973
at 2:28 P.M., Recorded in Vol. Misc. 347
of records of said County Folio 159-161
s/Clerk and Recorder**

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THE PROPERTY

The Property is described by the following Plats:

1. Replat of Units 1, 2 and 3, La Luz del Oeste, dated November 28, 1973, recorded December 28, 1973 in Volume D6, Folio 8(1) and 8(2), records of Bernalillo County, New Mexico.
2. Plat of Area "O", Unit 1 defined in the replat of Tract 2, Unit 1, La Luz del Oeste, dated July 27, 1976, recorded August 5, 1976 in Volume D7, folio 53, records of Bernalillo County, New Mexico.

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