LA LUZ LANDOWNERS ASSOCIATION



1A Loop One N.W. Albuquerque, New Mexico 87120 (505) 897-3030

October 10, 2017

All La Luz Landowners Association Members:

The La Luz Landowners Association Board of Directors has committed to update portions of our governing documents -- most of which were implemented many years ago. This review process might continue through 2018 or later, as it is a time consuming and complex task. The Board decided that the first step in the process is to address the Declaration which governs rentals of living units, particularly short term rentals (VRBO, AirBnB, and similar rental arrangements), because the existing Declaration language thereon is lacking in precise definition, clarity, requirements, and limitations, especially with respect to the minimum length of rentals allowed at La Luz.

Please review this Amendment to our Declaration (initially prepared by our attorney, Scott Turner). Please send in your completed ballot of whether you vote for or against the Amendment to the La Luz Office, to be received prior to the date of the La Luz Annual Meeting, on December 9, 2017. If you so choose, you may instead cast your vote at the Annual Meeting when voting may terminate and the votes counted. The ballot is on the back of this cover letter.

Please note that many homeowners agree with this Amendment for a number of quality of life and economic reasons, including (a) past problems with short term renters, (b) future significant increases in La Luz liability insurance premiums covering potential injuries and/or property damage caused by short term renters, (c) increased La Luz staff costs monitoring short term rental arrangements, (d) short term rental "strangers" appearing on common areas, (e) parking and traffic issues, (f) reduction in homeowner property values because La Luz is perceived as a transient community as opposed to a "peaceful" homeowner community, etc.

Please also note that the Amendment must be affirmatively approved by at least twothirds ($\frac{2}{3}$) of the La Luz Living Units (65 of the Living Units) in order for it to become effective and binding, so that non-voting Living Units will be counted as "no" votes.

If you have any questions, please contact Jonathan Abdalla, the La Luz Office Administrator (who has assisted in the Amendment process), at (505) 321-7795. Thank you very much for your attention to this most important matter.

Richard K. Barlow, President, for and on behalf of the La Luz Board of Directors, many of whom have significantly helped in the preparation of the Amendment

> Doc# 2018001365 01/05/2018 10:29 AM Page: 1 of 7 AMND R:\$25.00 Linda Stover: Bernalillo County

FIRST AMENDMENT TO THE FIRST AMENDED AND RESTATED DECLARATION OF PLANNED RESIDENTIAL COMMUNITY FOR LA LUZ LANDOWNERS ASSOCIATION

This First Amendment to the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association is made this 9th of December, 2017, by the La Luz Landowners Association, a New Mexico nonprofit corporation, and the owners of the property located within the areas encompassed by and identified in the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association.

RECITALS

A. The Property subject to this First Amendment to the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association is fully described in the following documents:

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.

3. First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association, dated November 30, 1998, recorded in the office of the County Clerk for Bernalillo County on December 2, 1998, in Book 9819, at Page 3461, as Document Number 1998155309.

B. Pursuant to Article X, Section 9, of the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association on December 9, 2017, a meeting of the members was held at which at least two-thirds (2/3) or a greater number of the votes in the La Luz Landowners Association adopted and approved this First Amendment to the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association.

C. Pursuant to Article X, Section 9, of the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association, this First Amendment to the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association shall be effective immediately upon recording the same in the office of the County Clerk for Bernalillo County.

NOW, THEREFORE, the La Luz Landowners Association does hereby publish and declare that the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association, as amended, is hereby amended as follows:

1. Paragraph (r) of Article II of the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association is deleted in it entirety and the following is inserted in its place:

"(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 provided by the Association to a particular Member or particular group of members (as defined by the Board) that does not apply to all Members or for other purposes."

2. A new Article XI is added to and inserted at the end of Article X of the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association which states:

"ARTICLE XI

LIMITATIONS ON NON-OWNER OCCUPIED PROPERTIES

Section 1. PERCENTAGE CAP.

In the interest of preserving the property values of all Living Units situated within the Property, the total number of Living Units in the Property that may be offered for lease by Members is restricted to thirty- five percent (35%) of the Living Units, which is thirty-three (33) Living Units. Members who are leasing out their Living Units at the time that this Amendment is passed, however, will be allowed to continue leasing out their Living Units until the Living Units are conveyed to a subsequent owner. No new Living Units may be leased unless the total of the number of Living Units being leased is less than thirty-three (33) Living Units. A waiting list for lease of Living Units will be established with the Association. The order of priority on the initial waiting list formed after this Amendment is passed and all subsequent additions or deletions to the waiting list will be established pursuant to rules. procedures, and/or regulations, adopted by the Board of Directors. When the total number of Living Units being leased is less than thirtythree (33) Units, the Association will allow the first owner on the waiting list to lease his, her, or its Living Unit,

All rentals shall be by lease. A lease is defined as any occupancy of the Living Unit (whether or not money is exchanged) more than six (6) months in any calendar year by anyone other than: (1) the Member, (2) the Member's spouse; (3) the Member's children or parents; or (4) any individuals living with the Member who are maintaining a common household with the Member. Leases under six

(6) months are prohibited except for the following: (1) Members may allow other Members or La Luz residents to use their homes for short periods of time for visiting family or friends, whether or not money is exchanged; (2) the Board may establish procedures for the waiver of the requirement of a six month minimum in specific cases, such as a summer lease.

The Association, through its Board of Directors, may allow exceptions to the restrictions contained in this Article XI for short time periods where a hardship situation exists. The Board of Directors shall have sole discretion to determine what is considered a hardship.

All leases shall be made subject to the provisions contained in the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners Association, as amended, and the Rules, Procedures, and/or Regulations of the La Luz Landowners Association, as amended.

Section 2. PROVISIONS THAT GOVERN RENTALS WHILE BEING LEASED.

Any agreement for the lease of a Living Unit must be in writing and must be expressly subject to the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners Association, as amended, and the Rules, Procedures, and/or Regulations of the La Luz Landowners Association, as amended, and any other documents governing the Association. The lease must contain a provision that any violation of the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners Association, as amended, and the Rules, Procedures, and/or Regulations of the La Luz Landowners Association, as amended, and any other documents governing the Association shall be a default under the lease and is grounds for eviction unless covered by the second paragraph of Section 1, and any lease of a shorter duration shall be a violation of the requirements of this Section 2 and subject to the enforcement and penalty provisions herein. All leases shall be required to be in writing and shall be for a term of six (6) months or lonaer. Members shall submit a copy of the lease and a rental registration form to the Association for each new tenant and each new lease, in a form prepared for the Association by the Board of Directors. If a Member owner fails to provide the required rental registration form and a copy of the lease to the Association in a timely manner, as

determined by the Board in its sole discretion, the Association may impose monetary fines, as determined by the Board in its sole discretion, and any other remedies available under the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners Association, as amended, and the Rules, Procedures, and/or Regulations of the La Luz Landowners Association, as amended, any other documents governing the Association, and New Mexico law.

Any violation of these documents shall be a default under the lease. The Member owner shall remain liable for compliance with the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners Association, as amended, and the Rules. Procedures, and/or Regulations of the La Luz Landowners Association, as amended, and any other documents governing the Association, and shall be responsible for any violations thereof by his, her, or its tenant or his, her, or its tenant's family and guests. All notices shall be sent to the Member owner. Each Member owner shall provide a copy of the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners Association, as amended, and the Rules, Procedures, and/or Regulations of the La Luz Landowners Association, as amended, and any other documents governing the Association to each tenant of his, her, or its Living Unit. By becoming a tenant, each tenant agrees to be bound by the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners Association, as amended, and the Rules, Procedures, and/or Regulations of the La Luz Landowners Association, as amended, and any other documents governing the Association, and recognizes that any violation of these documents is grounds for eviction from the Living Unit. If a tenant violates the provisions of any of the above documents, the Association may provide notice to the Member of the tenant's violations, and require that the Member owner evict the tenant for the violations. If the Member fails to evict the tenant, the Association may impose monetary penalties against the Member as determined by the Board in its sole discretion, and may exercise any other remedies available under the First Amended and Restated Declaration of Planned Residential Community for La Luz Landowners Association, as amended, the Articles of Incorporation of La Luz Landowners Association, as amended, the Bylaws of La Luz Landowners

First Amendment To The First Amended And Restated Declaration Of Planned Residential Community For La Luz Landowners Association - Page 4 of 5 Association, as amended, and the Rules, Procedures, and/or Regulations of the La Luz Landowners Association, as amended, any other documents governing the Association, and New Mexico law.

Section 3. RENTAL FEES.

The Association may establish a fee to be charged to Members owners who rent their Living Unit for the purpose of covering the Association's administrative fees (including, but not limited to liability insurance premiums to cover rentals and related activities as determined by the Board in its discretion) as well as any fees charged by the Association's managing agent, if one exists, with respect to monitoring compliance with the rental restrictions."

3. The terms of this First Amendment to the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association, including all Recitals contained herein, are contractual and not mere recitals.

IN WITNESS WHEREOF, the Association has caused this First Amendment to the First Amended and Restated Declaration of Covenants of Planned Residential Community for La Luz Landowners Association to be duly executed.

LA LUZ LANDOWNERS ASSOCIATION, a New Mexico nonprofit corporation

By <>. President

STATE OF NEW MEXICO

The foregoing Assignment of Personal Property was acknowledged before me this *H* day of December, 2017, by *Tim Bewen*, President of the La Luz Landowners Association, a New Mexico nonprofit corporation, for and on behalf of said corporation.

Notary Public OFFICIAL SEAL Jamie Barr NOTARY PUBLIC STATE OF NEW_MEXICO My Commission Expires:

My commission expires:

3-28-2020

First Amendment To The First Amended And Restated Declaration Of Planned Residential Community For La Luz Landowners Association - Page 5 of 5

)) ss.



LA LUZ LANDOWNERS ASSOCIATION

1A Loop One N.W. Albuquerque, New Mexico 87120 (505) 897-3030

Ballot for Vote on the First Amendment to the First Amended and Restated La Luz Declaration

I/we hereby vote in favor of the Amendment

I/we hereby vote against the Amendment

Signed:

Print Names:

Living Unit Address: