

Paradise Greens Homeowners' Association, Inc.

A Covenant Community

DECLARATION OF RESTRICTIONS, COVENANTS and CONDITIONS (RCC's)

These RCC's and their Amendments are a legal part of, and a condition of your purchase (and/or rental) of your home. A helpful Map of the Subdivision and Frequently Asked Questions (FAQ's) are included at the bottom of the Bookmarks.

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**PARADISE GREENS (UNIT 2) SUBDIVISION
RESTRICTIONS**

**A Declaration of Restrictions, Covenants and Conditions
for the Creation and Maintenance
Of a Planned Residential Development**

STATE OF NEW MEXICO
COUNTY OF BERNALILLO
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PARADISE GREENS (UNIT 2) SUBDIVISION RESTRICTIONS

THIS DECLARATION is made as of April 19 1998, by Paradise Green Limited Partnership, a New Mexico limited partnership, with respect to that certain real property situate in Bernalillo County, New Mexico and more particularly described as follows:

Lots 1-P1 through 17-P1, inclusive of Block 1; Lots 1-P1 through 30-P1, inclusive of Block 2; Lots 1-P1 through 53-P1, inclusive of Block 3; Tracts A and B of the PARADISE GREEN UNIT 2 Subdivision as the same is shown on the Plat thereof recorded in the Bernalillo County, New Mexico Real Estate Records on April 19 1998, in Vol. 96-C Folio 166 as Document No. 9604127

It is hereby declared that all of the described real property is subject to this Declaration which is for the purpose of creating and maintaining a planned residential development on the described real property and for the improvement and protection of the value, desirability and attractiveness of the described real property.

It is the purpose of this Declaration to create a planned residential development consisting of one hundred (100) lots for single family dwellings with each dwelling to be located on an individually owned lot on a public street, with portions of certain lots subject to easements for the benefit of the community, and with portions of the property being maintained by the Association of Lot Owners for the benefit of the Lot Owners. It is the intention of the Grantor that Tract A and Tract B be utilized as Common Area and be of and for the benefit of the Lot Owners.

This Declaration shall run with the described real property and shall be binding upon and inure to the benefit of Grantor, the Association, each Owner of the described real property or any part of it, and each successor in interest of Grantor, the Association, and any such Owner.

ARTICLE 1

Definitions

Unless the context otherwise specifies or requires, the terms defined in this Article 1 shall have the meanings as defined in this Article for the purposes of these Restrictions.

Section 1.01: Architectural Control Committee

The terms "Architectural Control Committee" or "Committee" or "ACC" shall mean the architectural control committee created pursuant to Article 8.

Section 1.02: Association

The term "Association" shall mean Paradise Greens (Unit 2) Homeowners' Association, Inc., (aka "PG/HOA") a New Mexico non-profit corporation described in the Article entitled, "Organization, Powers and Duties of the Association," and any predecessor or successor unincorporated association.

Section 1.03: Board

The term "Board" shall mean the Board of Directors of the Association and the governing body of any predecessor or successor unincorporated association.

Section 1.04: Entryway

The term "Entryway" shall mean (i) the island on Prescott Drive NW located in the main entrance of the Paradise Greens Unit 2 Subdivision, (ii) the eastern portion of Lot 1-P1, Block 3 and (iii) the western portion of Lot 53 - P1, Block 3.

Section 1.05: Easement Area

The term "Easement Area" shall mean certain interests in real property including Improvements thereon, the beneficial interest in which is owned or controlled by the Association and the fee interest is owned by the public or the Lot Owners but maintained by the Association for the common use and enjoyment of the Association members. As of the recording of this Declaration, the Easement Areas to be maintained by the Association consist of the Association Walls, the Entryway, the Easement Corridors, Tract A, Tract B and the Landscape Areas.

Section 1.06: Easement Corridors.

The term "Easement Corridors" shall mean (i) Tract B, identified on the recorded Plat as a 30' public sanitary sewer access & waterline easement and 10' gas line easement, (ii) the public pedestrian access & drainage R/W & NMUI sanitary sewer easement identified on the recorded Plat between lots 42-P1 and 43-P1 Block 3, and (iii) the drainage R/W identified on the Plat between lots 17-P1 and 18-P1, Block 3.

Section 1.07: Eligible Mortgagee.

The term "Eligible Mortgagee" means any holder of a first mortgage lien against any Lot provided that such mortgagee has given the Association written notice of its mortgage setting forth its name and address and identifying the Lot, by legal description and address, which is subject to such first mortgage.

Section 1.08: Association Walls.

The term "Association Walls" shall mean (i) the wall on the north side of Lots 1-P1 through Lot 7-P1 inclusive of Block 3 along Irving Boulevard, (ii) the side yard walls between Lots 11-P1 and 12-P1 of Block 3, (iii) the side-yard walls between Lots 17-P1 and 18-P1 of Block 3, (iv) the side-yard walls between Lots 42-P1 and 43-P1 of Block 3, (v) the wall on the north side of Lots 42-P1 through 53-P1 inclusive of Block 3 along Irving Boulevard, (vi) the wall on the east side of Lots 33-P1 through 42-P1 inclusive of Block 3 along Golf Course Road, and (vii) the wall on the north side of Lots 1-P1 through 7-P1 inclusive of Block 3 along Irving Blvd..

Section 1.09: Grantor.

The term "Grantor" shall mean Paradise Green Limited Partnership, a New Mexico limited partnership, and its successors and assigns, who are assigned, in writing, all or part of Grantor's powers and responsibilities for all or a specific area or portion of the Subdivision and who accept such powers and responsibilities in writing. All such assignments and agreements to accept the obligations of Grantor shall be recorded, filed with the Board and placed with the records of the Association. Each person or entity named as Grantor in an assignment may exercise the rights of Grantor provided by these Restrictions for the area assigned.

Section 1.10: Improvements.

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

Section 1.11: Landscape Areas.

The term "Landscape Areas" shall mean (i) the area north of the Association Wall(s) abutting Irving Blvd.; (ii) the area east of the Association Wall(s) abutting Golf Course Road.

Section 1.12: Lot.

The term "Lot" shall mean each of the one-hundred (100) lots shown and designated as Lots 1-P1 through 17-P1, inclusive of Block 1; Lots 1-P1 through 30-P1, inclusive of Block 2; Lots 1-P1 through 53-P1, inclusive of Block 3, together with the Improvements located on each such Lot.

Section 1.13: Mortgage.

The term Mortgage shall mean a deed of trust, as well as a mortgage, and the term "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust, as well as a Mortgagee.

Section 1.14: Owner.

The term "Owner" shall mean the persons or entities, including Grantor, holding the beneficial ownership of the fee, including the purchaser under a New Mexico Real Estate Contract, and shall not include persons holding only a security interest or a seller under a New Mexico Real Estate Contract. For the purposes of the Article entitled, "Permitted and Prohibited Uses of Property," unless the context otherwise requires, "Owner" shall include the family, invitees, licensees and tenants of any Owner.

Section 1.15: Plat

The term "Plat" shall mean the Plat of Paradise Green Unit 2 Subdivision, as recorded in the Bernalillo County, New Mexico real estate records on April 19, 1996.

Section 1.16: Subdivision

The term "Subdivision" shall mean the subdivision created by the Plat.

Section 1.17: Subdivision Restrictions

The term "Subdivision Restrictions" shall mean, with respect to all property within the Subdivision, the limitations, easements, restrictions, covenants, and conditions set forth in this Declaration, as this Declaration may from time to time be amended. The term "This Declaration" and the title to this Declaration shall have the same meaning as "Subdivision Restrictions."

Section 1.18: Tract A and Tract B

The term "Tract A" and "Tract B" means Tract A and Tract B as shown and identified on the Plat.

ARTICLE 2*Property Subject to Subdivision Restrictions*

All of the property shown on the Plat.

ARTICLE 3*Permitted and Prohibited Uses of Property*Section 3.01: Permitted Uses of Property Within the Subdivision

a. Improvements and development within the Subdivision shall be limited to detached residential single family dwellings, having a minimum of 1,400 square feet of heated living area, associated parking, garages, roads and access ways, landscaped areas, and all public or private service and utility facilities related to such uses, including, but not limited to, drainage, sewer, gas, water, electric and communication facilities. No dwelling shall be used as a boarding house or divided into apartments or rooms for rental purposes. In the case of residence of more than one story, not less than 700 square feet shall be within the ground floor area. In cases of multiple-level dwellings, the Architectural Control Committee shall conclusively determine what constitutes ground floor area as distinguished from basement or other non-ground floor areas. This subsection does not prevent the rental or lease of the whole dwelling by the Owner thereof, but any such rental or lease must be by a written agreement which requires the tenant to observe these Restrictions. No dwelling may be leased or rented for a period of less than thirty (30) days.

b. Grantor shall, so long as Grantor is the owner of any Lot, have all of the rights of use set out in the Article entitled, "Limitation of Subdivision Restrictions on Grantor."

Section 3.02: Prohibited Uses of Subdivision

a. In no event shall any Lot be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, or be used in any other way inconsistent with the Subdivision Restrictions.

b. No illegal, noxious or offensive activity shall be carried on within the Subdivision. No light shall be emitted from any Lot which is unreasonably bright to cause unreasonable glare to any residences. No sound shall be emitted on or from any Lot which is unreasonably loud or annoying. No odor shall be emitted from any Lot which is noxious or offensive to others. Nothing shall be done or placed which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to Owners in the enjoyment of their dwellings.

c. No signs whatsoever, including, but without limitation, commercial or similar signs, visible from other Lots, shall be erected or maintained upon any Lot, except (1) such signs as may be required by legal proceedings or are useful for such proceedings; (2) during the time of construction of any structure or other improvement, one (1) job identification sign having a maximum face area of six (6) square feet and of the type usually employed by contractors, subcontractors, and tradesmen; (3) appropriate safety, directional, and identification and

safety signs installed by Grantor, the Association, or required by law; (4) customary "for sale" or "for rent" signs; and (5) such residential or commercial identification signs as Grantor has the right to maintain, or as are specifically approved by the Board in accordance with the rules adopted by the Board. Signs reasonably necessary for subdivision identification and direction may be constructed by the Grantor.

d. Except as provided otherwise by this Section, no motor home, recreational vehicle, camper, boat, or similar facility or equipment shall be kept, placed, or maintained within the Subdivision at any time, unless enclosed within the garage or otherwise shielded from view from the ground level of other lots or streets. The provisions of this subsection shall not apply to temporary construction shelters or facilities maintained during, and used exclusively in connection with, the construction of any work or improvement permitted by this Declaration.

e. No storage shed of any type shall be erected on any Lot without the first expressed written consent of the Architectural Control Committee.

f. Any outside clothes lines or other outside clothes drying or airing facilities shall be maintained exclusively within a fenced yard in such a way as not to be visible from streets and the ground floor of neighboring dwellings.

g. No garbage, clippings from trees, shrubs or lawns, trash, ashes or other refuse may be thrown, dumped or allowed to accumulate on any land within the Subdivision. There shall be no burning of refuse out of doors, except for the burning of natural materials in connection with land clearance or fire control. No incinerators or other device for the burning of refuse indoors shall be constructed, installed or used by any person except in conformity with law and approved by the Board. No refuse placed on the road for pickup shall be placed in open view more than twenty-four (24) hours before the scheduled pick-up time.

h. No animals, livestock, horses, insects or poultry of any kind shall be kept, raised, or bred in the Subdivision. Up to four (4) dogs, cats and other household pets may be kept, providing they are not kept, raised or bred for commercial or hobby breeding purposes. Such household pets, must be restrained on a leash or otherwise under the direct control of an individual when in the Subdivision.

i. All exterior spot or directional lighting of any sort, the light source of which is visible from neighboring Lots, must be approved, in writing, by the Committee prior to installation.

j. No exterior antenna, or satellite dishes, of any sort shall be installed or maintained on any Lot or within the Subdivision, except those devices which are erected, installed, placed or maintained and used entirely under the eaves or enclosed within a building or structure or not visible from the ground level of the Lots. This provision shall remain enforceable even if enforcement action is not commenced within the time limitations otherwise provided by the Subdivision Restrictions.

k. No vehicles of any type shall be permanently or semi-permanently parked in any portion of the Subdivision visible from other Lots for purposes of repairs or reconstruction, or storage. A vehicle shall be deemed parked for storage if it is not driven out of the Subdivision for thirty (30) consecutive days.

l. No trucks or other commercial vehicles shall be kept or maintained in the Subdivision, except within garages, and except where customary or required for the limited purposes of building, repairing, refinishing, or maintaining the Subdivision or a dwelling, or for the purpose of moving household goods or other necessary or customary furnishings, equipment or supplies in or out of the Subdivision.

m. Except temporarily during a construction period, all utility lines, including, but not limited to, electrical, gas, telephone, cable television, and other communications systems shall be underground, except for access ports and above ground transformers and the Public Service Company's transmission lines.

n. No portion of the Subdivision shall be used for any purpose or in any manner which would increase the rate at which insurance against loss or damage by fire and the perils covered by extended coverage, bodily injury, property damage liability insurance, covering any other dwelling may be obtained, or cause any other dwelling to be uninsurable or have such insurance canceled or suspended.

o. The Owners of the Lots encumbered with the Entryway and Landscape Areas shall retain no rights to use of the surface of their Lots so encumbered except such rights as are common to all Lot Owners.

p. No lot may be landscaped or regraded in such a manner as to cause the drainage characteristics of the lot to differ materially from the approved grading plan; and in no case shall the drainage characteristics be modified in such a way as to cause damage to adjacent properties. Any modification to the grade of a lot shall require the prior written approval of the Architectural Control Committee.

q. No business activities of any kind whatsoever shall be conducted in residences or any portion of the subdivision; except, home occupations, provided that only members of the family residing on a Lot are employed, the use is incidental and secondary to the use of the Lot as a residence, and no stock and trade is manufactured, displayed or sold on the Lot. Further, there shall be no external evidence of the home occupation activity, such as signs, commercial vehicles, inordinate traffic, outside storage, noise, dust, odors, noxious fumes or other nuisances permitted upon or to emanate from any Lot. Provided, further, that the foregoing restriction shall not apply to the business activities or the construction and maintenance of buildings, if any, of Grantor or any owner, their assigns and agents during construction of Lot improvements and the sale thereof.

Section 3.03: Easement Area.

The Easement Areas shall be reserved by the Association for the benefit of all Owners pursuant to this Declaration to enhance the value and desirability of the Subdivision for watering, planting, cutting, removing and otherwise caring for the landscaping and for installing, maintaining and repairing signs identifying the Subdivision and utility lines necessary for the maintenance of the Landscaping, and for the safety and protection of the Lots, the Improvements and the Owners. The Association shall have the right and the obligation to maintain the appearance of the exterior of these walls. The Lot Owners shall be obligated to maintain the structural integrity of these walls.

Section 3.04: Encroachment Easements.

Should minor variations between lot lines as shown on the Plat and actual physical lot boundaries (such as walls, including interior party walls, and fences) occur, either due to original construction, reconstruction, repair or due to the settling, shifting or movement of structures, a valid easement shall exist for the encroaching Improvements for so long as the encroachment exists.

ARTICLE 4

Membership in the Association Voting Rights

Section 4.01: Membership.

a. Each Owner, by virtue of being an Owner and during such time as such Owner remains an Owner, shall be a member of the Association, or, a member of the unincorporated association preceding the Association or succeeding to the Association.

b. The rights, duties, privileges, and obligations of an Owner as a member of the Association or its proceeding or succeeding unincorporated association shall be those set forth in, and shall be exercised and imposed in accordance with the provisions of this Declaration and the Association's Articles of Incorporation and By-Laws.

Section 4.02: Voting Rights.

Each Owner shall be entitled to vote as provided in this Article on all matters properly submitted for vote to the membership of the Association. Every Owner entitled to vote at any election of members of the Board may cumulate his votes and give any one or more candidates a number of votes equal to the number of votes to which the Owner is entitled, multiplied by the number of Directors to be elected. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of the beneficial interest of the fee of any Lot to a new Owner shall operate to transfer the appurtenant voting rights without the requirement of any express reference thereto. Voting may be by written proxy.

Section 4.03: Voting Rules.

When any provision of the Subdivision Restrictions calls for the vote or the consent of the members in any stated percentage, it is sufficient to obtain the written consent of the same percentage of members.

ARTICLE 5

Organization Powers and Duties of the Association

Section 5.01: Organization.

a. The Association shall be organized as a non-profit corporation charged with the duties and empowered with the rights set forth herein. The Association's affairs shall be governed by this Declaration, the Articles of Incorporation and the By-Laws.

b. In the event that the Association, as a corporate entity, is not formed or after formation loses its corporate powers or is dissolved, a non-profit, unincorporated association shall forthwith and without further action or

notice, be formed and shall succeed to all the rights and obligations of the Association hereunder until a qualified non-profit corporation is formed. Said unincorporated association's affairs shall be governed by the laws of the State of New Mexico, and to the extent not inconsistent therewith, by this Declaration, the Articles of Incorporation and the By-Laws, respectively, as if they were created for the purpose of governing the affairs of an unincorporated association.

c. The President and Secretary of the Association, or any three (3) members of the Board of Directors, may execute, seal, acknowledge and record a certificate of identity stating the names of all of the members of the then current Board and the then current Planning Committee, if any. The most recently recorded affidavit shall be conclusive evidence of the identity of the persons then composing the Board and Committee in favor of any person relying thereon in good faith.

d. The Board shall be appointed by the Grantor, and shall serve at the Grantor's pleasure until January 1, 1998. Thereafter, the Board shall be elected at annual meetings of the Association.

e. The affairs of the Association shall be managed by the Board of Directors, which shall exercise all of the rights and powers and perform all of the duties and responsibilities set out in this Declaration for the Association.

Section 5.02: Powers and Authority of the Association.

The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a non-profit corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in its Articles of Incorporation, its By-Laws and in this Declaration, to do any and all lawful things which may be authorized, required, or permitted to be done by the Association under and by virtue of the Subdivision Restrictions and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety, and general welfare of Owners.

a. Any of the following actions by the Board shall require a majority vote or written assent of the members:

1. Entering into a contract for the furnishings of goods or services for the Easement Areas or the Association for a term longer than three (3) years with the exception of prepaid casualty or liability policies of not to exceed three (3) years duration provided that the policy permits short rate cancellation by the insured; and

2. Paying compensation to members of the Board or officers for services performed in the conduct of the Association's business provided that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

b. In fulfilling any of its obligations or duties under the Subdivision Restrictions, including, without limitation, its obligations or duties for the maintenance, repair, operation, or administration of the Easement Areas, the Association shall have the power and authority:

1. To contract and pay for, or otherwise provide for, the improvement, maintenance, restoration, and repair of the Easement Areas and all improvements located thereon;

2. To obtain, maintain, and pay for such insurance policies or bonds, whether or not required by this Declaration, as the Association shall deem to be appropriate for the protection or benefit of the Subdivision, the Association, the members of the Board, and the Owners;

3. To incur indebtedness; but any indebtedness in excess of the Association's estimate of its estimated gross revenue for the year incurred or any indebtedness to be repaid over a period longer than one (1) year must be approved by a two-thirds (2/3) vote of the Members;

4. To contract and pay for, or otherwise provide for, such utility services, including, but without limitation, water and electrical services, as may from time to time be required;

5. To contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys, bookkeepers and certified public accountants, and such other professional and non-professional services as the Association deems necessary;

6. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment, and labor as and to the extent the Association deems necessary;

7. To pay and to discharge any and all liens from time to time placed or imposed upon any Easement Areas, or on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation, or administration;
 8. To lease or contract for the use of land and Improvements for recreation or other purposes to the extent the Association deems necessary; and
 9. To place and maintain upon Easement Areas such signs as the Association may deem necessary for the identification of the Subdivision and/or roads, the regulation of traffic, including parking, for the health, welfare and safety of owners and other persons.
- c. In fulfilling any of its obligations or in exercising any of its rights with respect to the development, construction, installation or acquisition of a capital improvement, the Association shall have the power and authority:
1. To contract and pay for such Improvements upon such terms and conditions as the Association shall deem appropriate;
 2. To obtain, maintain, and pay for such insurance policies or bonds as the Association may deem appropriate for the protection and benefit of the Association, the members of the Board, and Owners, including, but without limitation, builder's risk insurance, additional comprehensive liability insurance, workman's compensation insurance, and performance and fidelity bonds;
 3. To incur indebtedness under terms and conditions as provided by this Article; and
 4. To contract and pay for the services of architects, engineers, attorneys, and certified public accountants, and other professional and non-professional services.
- d. With respect to the Easement Areas, the Association shall exercise control over the Easement Areas, but only for the purpose of carrying out the purposes of these Restrictions. The Association shall have no authority to mortgage, sell, convey or abandon Easement Areas or any part thereof, unless approved by the two-thirds (2/3) vote of the Members and approval of the Grantor, if the Grantor owns any Lots within the Subdivision, except that the Association shall have the power and authority from time to time without a vote of the members to grant and convey easements or rights of way, in, on, over, or under any Easement Areas, for the purpose of constructing, erecting, operating and maintaining thereon, therein, and thereunder wires, conduits and other equipment for the transmission of electricity and signals for lighting, heating, power, communication, cable television and other purposes, and for the necessary attachments in connection therewith; and public and private sewers, storm water ponding areas, storm water drains, storm water ponding areas, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any and all equipment in connection with the foregoing.
- e. The Association may, from time to time and upon such terms and conditions as it may deem appropriate, agree with the governing body of any other subdivision to jointly manage the affairs of the Subdivision, to jointly hire a manager, or jointly to engage in other activities not inconsistent with the Subdivision Restrictions.
- f. The Association shall have the right from time to time to pay, compromise, or contest any and all taxes and assessments levied against all or any part of the Easement Areas any income of or assessed to the Association, and upon any personal property belonging to or assessed to the Association.
- g. The Association shall have the power and authority from time to time, in its own name, on its own behalf, and on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Subdivision Restrictions and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration.
- i. The Association shall have the power, but not the duty, to enter upon and maintain, or provide for the maintenance of, any Lot or Improvements which is not maintained by the Owner thereof in accordance with the requirements of these Restrictions, at the expense of any such Owner.

Section 5.03: Liability of Members of Board.

No member of the Board shall be personally liable to any Owner, or to any other person, including Grantor, for any error or omission of the Association, its representatives and employees, or the manager; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

Section 5.04: Duties and Obligations of the Association.

- a. The Association shall have the obligation and duty, subject to the Subdivision Restrictions, to do and perform each and everything set out in this Section, for the benefit of the Owners and for the maintenance and improvement of the Subdivision.
- b. The Association shall accept all Owners as members of the Association.
- c. The Association shall accept from Grantor the Easement Areas. The Easement Areas shall be deemed transferred to it upon recording of these Restrictions, subject to the reservations of all easements, licenses and rights to use and the rights of Grantor.
- d. The Association shall maintain, or provide for the maintenance of, the Easement Areas and all Improvements thereon.
- e. The Association shall maintain or provide for the maintenance of all landscaping and vegetation (including without limitation, grass, mass plantings, shrubs and trees) on Easement Areas and shall keep such vegetation properly trimmed, mowed, cut, watered, fertilized, planted and replaced so that it provides an attractive appearance.
- f. The Association may employ the services of a corporate or individual manager to manage the affairs of the Association and, upon such conditions as are otherwise advisable by the Association, the Association may delegate to the manager any of its powers under the Subdivision Restrictions. No management agreement entered into between the Association and any professional management company (whether or not such professional management company is owned or controlled by the Grantor) shall provide for a term in excess of two (2) years and all such agreements shall permit the Association to terminate for cause upon not more than thirty (30) days' prior written notice and all such agreements shall provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less written notice.
- g. The Association shall obtain and maintain in force the following policies of insurance:
 1. **Fidelity Bond:** If the Board determines it to be economically justifiable, the Association shall procure and maintain a fidelity bond naming the Association as obligee in an amount equal to the estimated maximum amount of funds to be in the custody or control of the Association or its professional management company, including reserves for replacement and working capital, at any given time during the term of such bond, but in any event in an amount at least equal to three (3) months' aggregate monthly assessments on all Lots plus the sum of all reserve funds. Such fidelity bond shall cover all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association, including the officers, directors, employees and agents of the professional management company employed by the Association pursuant to these Restrictions. Provided, however, that the fidelity bond to be procured by the Association need not cover the professional management company and its officers, directors, employees and agents, if such professional management company provides a sufficient fidelity bond naming the Association as an additional obligee or loss payee. Such bond shall contain a waiver of any defense or exclusion based upon the exclusion of persons serving without compensation from the definition of "employees" or other similar terms or expressions. Such bond shall require at least ten (10) days' prior written notice to the Association of cancellation or substantial modification (including cancellation for non-payment of premiums). The cost of such fidelity bond (except for premiums on any fidelity bond provided by the professional management company which the Board determines to be satisfactory and in compliance with the provisions of this Section) shall constitute a common expense of the Subdivision.
 2. **Liability Insurance:** The Association shall procure and maintain comprehensive public liability insurance in the amount of at least one million dollars (\$1,000,000) per single occurrence for bodily injury, death and property damage suffered by the public or any Owner and his family, guests, agents, employees or invitees occurring in, on or about the Common Areas. Such policy shall insure the Owners and the Association and its officers, directors, employees and agents, including expressly the professional management company and its officers, directors, employees and agents and shall further expressly cover legal liability arising from lawsuits related to employment contracts of every nature to which the Association is a party. Such policy shall be issued by insurers of recognized responsibility authorized to do business within the State of New Mexico and shall require at least ten (10) days' prior written notice of cancellation or substantial modification (including cancellation for nonpayment of premiums) to the Association and to any Mortgagee having a first lien against any Lot which is listed as a scheduled holder of such a first mortgage in the policy. The cost of such policy shall constitute a common expense of the Subdivision. Such insurance must not provide for contribution with regard to any policies of liability insurance carried individually by any

Owner.

3. Additional Insurance: The Board shall have the authority to obtain such other insurance, including the authority to increase the scope or amount of any insurance required by this Article 5, as the Board shall determine to be necessary or advisable. The cost of any such additional insurance shall constitute a common expense of the Subdivision.

i. The Association shall prepare an annual operating statement reflecting the money received by the Association and the expenditures of the Association for each fiscal year and distribute such statement to each member and each Eligible Mortgagee upon request.

j. The Association shall take such action, whether or not expressly authorized by the Subdivision Restrictions, as may reasonably be necessary to enforce or carry out the purposes of the Subdivision Restrictions and the Subdivision Rules.

ARTICLE 6

Funds, Assessments and Delinquency

Section 6.01: Creation of Lien and Personal Obligation for Assessments.

Grantor for each Lot owned by it hereby agrees to pay, and each Owner of any Lot by the acceptance of a deed or a New Mexico Real Estate Contract, whether or not so expressed in any such deed or contract or other conveyance, is deemed to agree to pay to the Association (a) maintenance assessments; (b) delinquency assessments; (c) assessments for capital improvements; and (d) all other fees or other moneys due to the Association from such Owner.

The maintenance assessment, delinquency assessment and assessment for capital improvements, plus interest, late charges, costs and attorney's fees, shall be a charge against the Lot and shall be a continuing lien upon the Lot against which each such assessment is made, and shall also be the personal obligation of the Owner or Owners of such property on the assessment date. The personal obligation to pay assessments shall not pass to successors in title unless expressly assumed by them.

Section 6.02: Operating Fund.

There shall be an operating fund, into which the Association shall deposit all monies paid to it and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 6.03: Maintenance Assessment.

a. Within thirty (30) days prior to the commencement of each fiscal year the Association shall estimate the costs and expenses to be incurred by the Association during such year, including a reasonable provision for contingencies, and reserves for major repair and replacement, and shall subtract from such estimate an amount equal to the anticipated balance, exclusive of any reserves for contingencies and reserves for major repair and replacement, in the operating fund at the start of such year. The sum or net estimate so determined shall be assessed to all Owners in shares: one (1) share for each Lot owned. As provided for in the By-Laws of the Association, at the determination of the Board of Directors, the assessment may be collected in advanced and on an annual, semi-annual or quarterly basis.

b. If, at any time and from time to time, during any fiscal year, the maintenance assessment proves or appears likely to prove inadequate for any reason, including non-payment of any Owner's share thereof, the Association may levy a further maintenance assessment in the amount of such actual or estimated inadequacy, which shall be assessed to all Owners apportioned as provided in subsection (a).

c. Maintenance assessments shall be due and payable to the Association when levied or in such installments during the year, and on such due dates as the Board shall designate.

d. The Board shall not levy assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year and which are not part of such budgeted gross expenses without the vote or written consent of the Members.

e. From and after the December 31st immediately following the conveyance of the first Lot by Grantor, the maximum maintenance assessment may be increased each year not more than an increase equal to the greater

of (i) ten percent (10%) or (ii) the percentage increase in the Consumer Price Index from the previous year without a vote of two-thirds (2/3) of the Members and approval of the Grantor, if the Grantor owns any Lots within the Subdivision. The percent of increase shall be cumulative from year to year so that an increase not used in one year may be used in a subsequent year without a vote of the members.

Section 6.04: Delinquency Assessment.

The Association shall levy a delinquency assessment against any Owner or Owners as a result of whose acts, or failure or refusal to act, or otherwise comply with the Subdivision Restrictions, or the Subdivision Rules, monies were expended from the operating fund by the Association. Such assessment shall be in the amount so expended, and shall be due and payable to the Association when levied, or in such installments as the Association shall designate. Prior to the levy of a delinquency assessment the Board shall hold a hearing to determine the validity and amount of the assessment upon at least thirty (30) days notice to the Owner to be assessed at which hearing such Owner shall be given an opportunity to be heard.

Section 6.05: Assessments for Capital Improvements and Indebtedness.

The Association may also levy in any year an assessment for paying or returning, in whole or in part, the cost or proposed cost of acquisition and construction of a described capital improvement (whether the improvements constitute real or personal property), in an amount greater than can be included in the maintenance assessment, provided it has been approved by a two-thirds (2/3) vote of the Members and approval of the Grantor so long as the Grantor owns any Lots in the Subdivision, which assessment shall be assessed to Owners as provided for in Section 6.03.

Section 6.06: Reserves as Trust Funds.

Reserves for major repairs and replacements and for capital improvements to be built or acquired shall be kept segregated from the other monies held by the Association as trust funds in an account or accounts labeled "Reserve Trust Fund" and shall be withdrawn and used only for the purposes of major repairs and replacements or for capital improvements respectively, unless a different or other use is authorized by the vote of the members.

Section 6.07: Delinquency.

Each assessment under this Article shall be the separate, distinct and personal debt and obligation of the Owner against whom it is assessed. Any assessment provided for in this Article, which is not paid when due, shall be delinquent. With respect to each assessment not paid within ten (10) days after its due date, the Association may, at its election, require the Owner to pay a sum (late charge) to be determined by the Association, to pay the costs of handling the delinquent sum. Such a charge shall be considered an additional assessment and collectible with the assessment for which it was charged. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at a rate set from time to time by the Association, however not greater than twenty percent (20%), and the Association may, at its option, bring an action at law against the Owner or Owners personally obligated to pay the same, and upon compliance with the provisions of this Article to foreclose the lien against the Lot, and there shall be added to the amount of such assessment the late charge, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest at the rate provided herein and a reasonable attorney's fee, together with the costs of action. Each Owner vests in the Association, or its assigns, the right and power to bring all actions at law or lien foreclosure against such Owner or other Owners for the collection of such delinquent assessments.

Section 6.08: Notice of Lien.

No action shall be brought to foreclose an assessment lien less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the office of the Bernalillo County Clerk; said notice of claim must recite a good and sufficient legal description of any such Lot, the record owner or reputed owner thereof, the amount claimed (which shall include the interest charges, costs and attorney's fees recoverable by an action at law) and the name and address of the Association.

Section 6.09: Foreclosure Sale.

Any such sale provided for above 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, shall have the power to bid on the Lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 6.10: Curing a Default.

Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting owner of a fee, to be determined by the Association, to cover the costs of preparing and filing or recording such release, together with the payment of such other costs, interest or fees as shall have been incurred.

Section 6.11: Cumulative Remedies.

The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

Section 6.12: Certificate of Payment.

The Association shall, upon demand, furnish to any Owner liable for assessments, a certificate in writing signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 6.13: Commencement of Annual Assessments and Collection of the First Year's Assessments.

The maintenance assessments provided for in this Article shall commence as to each Lot upon the first day of the month following the closing by the builder to the initial homeowner. The first such annual assessment shall be prorated for each Lot for the period from the commencement as provided in this section to the start of the next fiscal year following such commencement and shall be paid in advance by the initial homeowner at the closing from the builder to the initial homeowner. For example, if the initial annual assessments are determined to be \$240, the home is completed and closed by the builder to the initial homeowner on July 15, 1996, at closing, the initial homeowner will pay to the Association \$100 (\$240 divided by 12 months equals an assessment of \$20 per month) (\$20 per month times 5 full months remaining in the year equals \$100 to be paid by the initial purchaser at closing).

ARTICLE 7

Duties and Responsibilities of Owners

Section 7.01: Owner's Responsibility to Repair.

Each Owner shall be responsible for the maintenance and repair of his dwelling, his Lot and his landscaping.

Section 7.02: Joint Maintenance by Owners.

a. Each wall which is built on the dividing line between Lots, including retaining walls, shall constitute a party wall. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omission shall apply.

b. The cost of reasonable repair, maintenance and replacement of a party wall, common structure or joint utility shall be shared by the Owners who make use of the wall in proportion to such use.

c. Notwithstanding any other provision of this Section, an Owner who, by his negligent or willful act, causes a party wall or common structure to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

d. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the Lot and shall pass to such Owner's successors in title.

e. In the event of any dispute arising under the provisions of this Section, the Board shall arbitrate the dispute and its decision shall be final.

Section 7.03: Parking Areas, Vehicles.

For overnight parking, each Owner shall park his vehicle in his garage, except that when there are more vehicles used by the Owner than his garage will accommodate, then they shall be parked in the residence driveway.

Section 7.04: Maintenance of Landscaping.

Each Owner shall maintain the landscaping on his lot in a neat and attractive manner, except those portions of Lots encumbered with Landscape Areas which shall be maintained by the Association. All grass, mass plantings and other plantings shall be mowed, trimmed and cut as necessary at regular intervals.

Section 7.05: Observance of Subdivision Restrictions.

Each Owner shall comply with the Subdivision Restrictions and will cause and be responsible for Owner's family, agents, guests, contractors, employees and any person renting or leasing Owner's dwelling to do likewise.

Section 7.06: Rights of Action.

Each Owner and the Association shall have a right of action against Owners for failure to comply with the provisions of this Article 7 of the Subdivision Restrictions.

Section 7.07: Lot Grading.

The Owners shall maintain the grade of their Lots in conformance with the Grading and Drainage Plan for the Subdivision, copies of which are filed with the City of Albuquerque Public Works Department.

ARTICLE 8*Construction and Architectural Control*Section 8.01: Architectural Control Committee:

An Architectural Control Committee for the Subdivision is hereby established consisting of the following three persons:

BEN SPENCER
SCOTT HENRY
JEFFREY JESIONOWSKI

The Committee shall serve at the pleasure of the Grantor who shall have the right to appoint, reappoint and discharge members of the Committee at will for so long as the Grantor owns any Lots within the Subdivision, thereafter, the Committee shall serve the pleasure of the Board. A majority of the members of the Committee may appoint one member of the Committee to act on and for the Committee.

Section 8.02: Construction of Improvements

(a) Before anyone shall commence on any Lot within the Subdivision the installation of construction of, remodeling of, addition to, or alteration of any Improvement of whatsoever nature; and before anyone shall paint, texture, repaint or re-texture the exterior surfaces of any Improvement, there shall be submitted to the Committee plans and specifications as follows:

(i) Preliminary or tentative plans and specifications which shall clearly show the nature of the work or installation proposed and the location thereof, on the Lot, which such preliminary or tentative plans shall include sufficient description of materials, colors, textures, etc. together with a landscaping plan as shall enable the Committee to evaluate whether the proposed construction, alteration, installation, etc., complies with these restrictions, and will harmonize with the motif and style of the Subdivision; and be compatible with surrounding homes; and (ii) After approval of the preliminary or tentative plans, including therein any requirements made by the Committee in the due and proper exercise of its discretion and powers, two complete sets of the final plans and specifications. If deemed necessary by the Planning Committee, the following may be required as part of the application: (i) details of exterior furnishings; (ii) a conceptual drainage report prepared by a registered engineer; and (iii) an architect's rendering showing the proposed construction. If the proposed construction is on a golf course lot, an architect's rendering showing a perspective view of the rear of the proposed construction may also be required. These renderings shall be ink drawings.

(ii) Upon completion of the stem wall for the home, the Committee shall be provided a stem wall survey to enable the Committee to ascertain if the home is located upon the Lot in conformance with the approved plans and with these Restrictions. No further construction can take place on the Lot until the Committee has given written approval of the survey. The Committee shall have 72 hours to approve the

survey, otherwise it shall be deemed approved.

(b) No Improvement of any kind, installations, painting or texturing, shall ever be, or permitted to be, erected, constructed, installed, placed or maintained on any Lot within the Subdivision, unless and until the final plans, specifications and elevations therefor shall have received written approval of the Committee. All such final plans shall include plot plans showing the location on the Lot of all Improvements proposed to be constructed and/or installed, planted, placed or maintained on the Lot and shall further include elevations, together with the proposed color scheme and textures for roofs and exteriors thereof, indicating the materials for same.

The Committee is authorized to charge not more than \$100.00 for review of plans and specifications. Payment of the required charge shall be a part of, and condition to, the submittal of plans and specifications for committee approval.

(c) The Committee shall approve or disapprove within thirty days after receipt thereof plans and specifications which have been submitted to it. One set of plans and specifications, with the Committee's approval or disapproval and requirements endorsed thereon, shall be returned to the applicant and the other copy thereof, with a duplicate endorsement thereon corresponding to the first set, shall be retained in the Committee's files.

In the event that the Committee shall fail to approve or disapprove the plans, specifications and other information within thirty days after receipt thereof by the Committee, 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 of the Restrictions.

The Committee shall have the right and power to disapprove any plans, specification or details submitted to it, if the Committee shall find that the plans and specifications are not in accord with all provisions of this Declaration, or if a design or color scheme submitted is not in harmony and accord with the Subdivision, or surrounding homes, or if the plans and specifications are incomplete. The Committee shall have the right to consider the impact of proposed Improvements upon the views from other Lots, but the Committee shall be under no obligation to preserve views, or to deny approval of plans for Improvements which will, or may, impair views.

(d) If any Improvement or work is completed or done without compliance with this Article, such Improvement or work shall be deemed to have been done in compliance with this Article if no action has been commenced to enforce the provisions of this Article against such Improvement or work within one (1) year of its completion.

Section 8.03: Design Guidelines

The Committee may from time to time adopt design guidelines for approval of Improvements. The Committee may grant variances from its Design Guidelines. The initial Design Guidelines are as follows:

(a) No lot or any portion thereof shall be used except for single family residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one (1) single-family detached dwelling. Each dwelling unit shall have an attached private garage for no fewer than two (2) nor more than three (3) cars. For purposes of this Paragraph, a garage shall be considered to be part of the dwelling of which it is attached. No free-standing storage sheds shall be allowed. These standards are to be in effect unless modified by the Architectural Control Committee.

(b) Buildings shall be constructed of wood-frame and brick exterior or wood-frame and stucco or pueblo exterior. All pitched roofs shall be covered with asphalt or composition shingles or mission tile. The color of the shingles and/or tile must be approved for use by the Architectural Control Committee. No metal roofing is allowed.

(c) Cluster mailboxes shall be provided for by the US. Postal Service, however, if not provided for by the US. Postal Service, mailboxes shall be designed and installed by the builder. Mailboxes may not be changed, altered or removed without the prior approval of the Architectural Control Committee.

(d) All house numbers shall be provided for by the builder and may not be removed, changed or altered without the prior approval of the Architectural Control Committee.

(e) No building shall be located on any lot in such a manner as to violate the City of Albuquerque Zoning Ordinance(s), Subdivision Regulations, or any other public ordinance adopted by any governmental authority having jurisdiction over the lots which might pertain to building construction and/or location. Minimum building setback shall be the greater of (a) fifteen feet (15') from the front property line and five feet (5') from either side of property line; or (b) the front yard and side yard setback requirements imposed by the ordinance of the City of Albuquerque. Any lot owner proposing to build improvements on his Lot must obtain approval from the City of Albuquerque for the proposed plan for compliance with all applicable ordinances in effect at that time regarding building height and front and side

yard setbacks. For the purpose of the limitations imposed by these covenants (but not those imposed by ordinance if defined otherwise therein), eaves, steps, patios, walkways and open porches shall not be considered as part of a building. In no case shall eaves, steps, patios, walkways or open porches encroach upon another lot.

(f) All exterior colors shall be neutral or earth tone. After the initial construction, exterior colors may not be changed without the expressed written consent of the Architectural Control Committee.

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

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

(2) On corner lots, no side street fence or wall, except retaining walls of minimum heights, or architectural walls approved with the original construction shall be erected or allowed to remain nearer to the side street than the setback permitted by the City of Albuquerque Zoning regulations.

(3) Side-yard and rear-yard fences or walls are required, and shall not be less than four feet (4') in height above finished grade. All side-yard and rear-yard fences shall be constructed on the property lines or as may be designated on the Plat.

(4) There shall be constructed and maintained a minimum five foot (6') perimeter wall along Irving Boulevard Lots 1-P1 through 7-P1 inclusive of Block 3, Lots 42-P1 through Lot 53-P1 inclusive of Block 3 and along Golf Course Road Lots 33-P1 through 42-P1 inclusive of Block 3. Such walls, once constructed, shall remain in place, shall not be defaced, altered or removed, and shall be subject to the following:

(i) The wall shall be a minimum of five feet (5') in height from the finished grade at the foot of the wall;

(ii) The color of the wall shall not be changed from the original color, except as approved by the Architectural Control Committee from the entire wall.

(iii) Rear yard entry through the perimeter wall shall not be permitted.

(iv) Walls that have been constructed around electrical, telephone or other utility company switch cabinets or have been located to comply with sight distance requirements shall not be removed or relocated.

(5) All fences and walls must be approved in writing, in advance by the Architectural Control Committee.

(h) Retaining walls or property lines shall not be removed or altered by either property owner, nor the color changed by either property owner without the consent of the other(s) and the Architectural Control Committee.

(i) All front landscaping shall be provided for by the builder and may not be removed, changed, added to or altered without the prior approval of the Architectural Control Committee. Each lot shall comply in all respects with the Albuquerque Street Tree Ordinance, Section 8-5-1, City of Albuquerque Revised Ordinances (1974) as said ordinance exists as of the date of these Protective Covenants are filed for record (herein the "Street Tree Ordinance") or as may have been subsequently amended by the City. In addition, each lot shall comply with the City of Albuquerque Waste Ordinance Article 6-1-1.

Section 8.04: Estoppel Certificate.

Within thirty (30) days after written demand is delivered to the Committee by any Owner, and upon payment therewith to the Association of a reasonable fee to cover costs from time to time to be fixed by the Association, the Committee shall provide Owner with an Estoppel certificate executed by an officer of the Association and acknowledged, certifying with respect to any Lot owned by said Owner, that as of the date thereof either (1) all Improvements and other work made or done upon or within said Lot by the Owner, or otherwise, comply with this Declaration, or (2) such Improvements or work do not so comply, in which event the certificate shall also (a) identify the non-complying Improvements and work and (b) set forth with particularity the cause or causes for such noncompliance. Any purchaser from the Owner, or mortgagee or other encumbrance shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between Grantor, the Association, and all Owners and such purchaser, and mortgagee.

Section 8.05: Liability.

Neither the, Committee, the Board nor any member thereof shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of (a) the approval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development or manner or development of any property within the Subdivision; or (d) the execution and recording of an Estoppel certificate whether or not the facts therein are correct; provided, however, that the officer executing the certificate, with the actual knowledge possessed by him, has acted in good faith.

Without in any way limiting the generality of the foregoing, the Committee, Board, or any member thereof, may, but is not required to, consult with or hear any Owner with respect to any plans, drawings, or specifications, or any other proposal submitted to it.

Section 8.06: Scope of Committee Review.

Any review, rejection or approval by the Committee of any application, plan, drawing, section or other document or drawing and/or specification of material or design is limited in scope and purpose to a review as to the aesthetic harmony of a proposed improvement or structure with the aesthetic intent of the Subdivision and compliance with the Restrictions. The Committee does not intend nor should an approval by the Committee be interpreted by any person or entity to encompass anything other than an approval of the aesthetics of the proposed improvement or structure. The Committee does not have the expertise nor is it within the scope of their purpose to review, analyze, inspect, or approve any specific structural, engineered, foundation, or material specification or design for any sort of suitability or adequacy in design for the nature of or type of soil condition existing in the Subdivision. The Committee approval or disapproval does not extend to any manner of construction methods, techniques, or materials nor to the structural integrity of any architectural or engineering design for improvements, structures, or landscaping features to be placed on the Lot.

ARTICLE 9*Protection of Security Interests*Section 9.01: Application of Assessments to Mortgagees.

The liens created under the Subdivision Restrictions upon any Lot shall be subject and subordinate to, and shall not affect the rights of a mortgagee under any recorded first mortgage upon a Lot made in good faith and for value, provided that after the foreclosure of any such mortgage the amount of all maintenance and special assessments, and all delinquent assessments to the extent such delinquent assessments relate to expenses incurred after such foreclosure, assessed hereunder to the purchaser at foreclosure sale, shall become a lien upon such lot upon recordation of a notice thereof with the County Recorder.

Section 9.02: Right to Notice.

The Association shall provide all Eligible Mortgagees with timely written notice of any delinquency in the payment of monthly assessments, special assessments or other charges due the Association by the Owner of a Lot which is subject to a first mortgage held, by any Eligible Mortgagee and which delinquency remains uncured for a period of sixty (60) days or more.

Section 9.03: Limitation of Enforcement Against Mortgagee.

No violation by an Owner of the Subdivision Restrictions or enforcement of the Subdivision Restriction against an Owner shall defeat or render invalid the lien of any mortgagee made in good faith and for value against the property of such Owner, but, the Subdivision Restrictions shall be effective against any Owner whose title is acquired by foreclosure, trustee's sale, voluntary conveyance, or otherwise.

Section 9.04: Rights of Mortgagee to Information.

A mortgagee shall, upon written request, be entitled to inspect the Declaration, By-Laws, Subdivision Rules, books and records of the Association on the same basis as a Member. If a mortgagee furnishes the Association, in writing, with its address, it shall be entitled to receive within a reasonable time financial statement for the immediately preceding fiscal year, free of charge and shall receive notice of meetings on the same basis as members.

Section 9.05: Application of Subdivision Restrictions.

Except as provided in this Article or specifically provided elsewhere in the Subdivision Restrictions, all mortgages and mortgagees are bound by the provisions of the Subdivision Restrictions.

Section 9.06: Collection of Assessments.

The Mortgagees shall be under no obligation to collect assessments.

ARTICLE 10*Limitation of Subdivision Restrictions on Grantor*Section 10.01: Limitation of Subdivision Restrictions on Grantor.

Grantor is undertaking the work of constructing the Subdivision. The completion of that work and the sale, rental and other disposition of the Lots is essential to the establishment of the Subdivision. In order that said work may be completed and said property be established and fully occupied as rapidly as possible, nothing in this Declaration shall be understood or construed to:

- a. Prevent Grantor or its agents, employees, and contractors from doing on the properties whatever is reasonably necessary or advisable in connection with the completion of the work; or
- b. Prevent Grantor or its agents, employees, and contractors from erecting, constructing and maintaining on any part or parts of the Subdivision, such structures as may be reasonably necessary for the conduct of its business of completing the work and establishing the Subdivision, including, without limitation, sales offices, model units, general business offices for its staff, employees and contractor, and storage and parking facilities for materials and equipment, and disposing of the Subdivision in parcels by sale, lease or otherwise; or
- c. Prevent Grantor from conducting on any part of the properties its business of completing the work, and of establishing and disposing of the Subdivision;
- d. Prevent Grantor from maintaining such sign or signs on the Subdivision as may be necessary for its sale, lease, or disposition, or the sale, lease or disposition of any Lot.

Section 10.02: Use of Subdivision Name.

Grantor may use the name of the Subdivision and the Subdivision Restrictions in other subdivisions or projects, whether located adjacent to the Subdivision or not, provided such names have a distinctive number or other designation so that they are not identical with the names of the Subdivision and Association. Consent is hereby given to Grantor and Grantor's assigns to use such names of a Corporation and upon request of Grantor, the Association agrees to execute a written consent authorizing Grantor to use the same or similar name which Consent will be filed with the State Corporation Commission.

Section 10.03: Architectural Control.

Improvements by Grantor and declarants to the Subdivision do not require approval of the Committee.

Section 10.04: No Amendment or Repeal.

The provision of this Article may not be amended or repealed without the consent of Grantor.

ARTICLE 11*Miscellaneous Provisions*Section 11.01: Amendment or Repeal; Duration.

- a. These Restrictions and any provisions thereof which are in effect with respect to all or part of the Subdivision, may be amended or repealed in the following manner:
 1. The approval by seventy-five percent (75%) vote or written consent of the Members and the consent of the Grantor, so long as the Grantor owns any Lot in the Subdivision; and

2. The recordation of a certificate of the Secretary or an Assistant Secretary of the Association setting forth, in full, the amendment or amendments so approved, including any portion or portions of this Declaration repealed, and certifying that such amendment or amendments have been approved by the required vote or consent of the Owners, and if necessary, by the consent of the Grantor.

At any time during which Grantor is the only owner of property within the Subdivision, Grantor may amend or correct these Restrictions by a recorded instrument of amendment or correction.

b. All of the provisions of these Restrictions shall continue and remain in full force and effect at all times with respect to all property, and each part thereof, included within the Subdivision, to the Owner and to the Association subject, however, to the right to amend and terminate as provided for in this Article, through December 31, 2043; provided that these Restrictions shall terminate if, within one (1) year prior to December 31, 2043, there shall be recorded an instrument directing the termination of these Restrictions signed by two-thirds (2/3) of the Owners of record title. These Restrictions in effect immediately prior to the expiration date shall, subject to the provisions of Section 11.01a., be continued automatically without any further notice, for an additional period of ten (10) years unless within one (1) year prior to expiration of such period these Restrictions are terminated as set forth in this Section.

Section 11.02: Enforcement: Non-Waiver: No Forfeiture.

a. Except to the extent otherwise expressly provided herein, the Association or any Owner or Owners shall have the right to enforce any and all of the provisions now or hereafter imposed by the Subdivision Restrictions upon other Owners, or upon any property within the Subdivision.

b. Except to the extent otherwise expressly provided herein, any Owner or Owners shall have the right to enforce any and all of the provisions now or hereafter imposed by the Subdivision Restrictions upon the Association.

c. Every act or omission whereby any restriction, condition, or covenant of the Subdivision Restrictions is violated, in whole or in part, is hereby declared to be and to constitute a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by the Association or by an Owner or Owners, as provided for in this Section. Any provisions to the contrary notwithstanding, only the Association or its duly authorized agents may enforce by self-help any limitation, restriction, covenant, condition, or obligation herein set forth.

d. Each remedy provided for in the Subdivision Restrictions is cumulative and not exclusive.

e. The failure to enforce the provisions of any limitation, restriction, covenant, condition, obligation, lien, or charge of the Subdivision Restrictions shall not constitute a waiver of any right to enforce any such provision or any other provision of the Subdivision Restrictions.

f. No breach of any of the provisions of the Subdivision Restriction shall cause any forfeiture of title or reversion or bestow any rights of re-entry whatsoever.

g. Reasonable attorney's fees and costs may be awarded in any action brought to enforce the provisions of the Subdivision Restrictions.

Section 11.03: Construction: Compliance with Laws: Severability: Singular and Plural: Titles.

a. All of the limitations, restrictions, covenants, and conditions of the Subdivision Restrictions shall be liberally construed, together, to promote and effectuate the beneficial operation of the Subdivision.

b. No provision of the Subdivision Restrictions shall be construed to excuse any person from observing any law or regulation of any governmental body having jurisdiction over such person or the Subdivision.

c. Notwithstanding other provisions in this Section, the limitations, restrictions, covenants, and conditions of the Subdivision Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision, or portion thereof, of any of such limitations, restrictions, covenants, or conditions shall not affect the validity or enforceability of any other provision.

d. The singular shall include the plural and the plural, the singular, unless the context requires the contrary, and the masculine, feminine and neuter, as the context requires.

e. The table of contents and all titles used in the Subdivision Restrictions, including those of Articles

and Sections, are intended solely for convenience of reference and the same shall not, nor shall any of them affect that which is set forth in such Articles, Sections, nor any of the terms or provisions of the Subdivision Restrictions. Any numbered or lettered subdivision of a Section is referred to as "subsection" or "subsections" and any indented portion of this Declaration which is unnumbered and unlettered shall be referred to as "Paragraph."

Section 11.04: Lot Splitting: Consolidation.

- a. No Lot within the Subdivision shall be split, without the consent of the Association or any owner.
- b. No two or more lots within the Subdivision shall be consolidated into one Lot unless the Board shall have given its written consent.
- c. Nothing contained in this Section shall apply to the splitting of any Lots by Grantor or the consolidation of two or more Lots into one Lot by Grantor.
- d. The Association can require a change in the voting rights and assessment obligation in any Lot split or consolidation to keep the assessment and voting rights the same after the split or consolidation as they were before.
- e. Replatting of Lots may be approved by the Board to remedy minor technical errors or encroachments so long as the number of Lots does not increase and the size of the Lots is not materially altered.

Section 11.05: Obligations of Owners: Avoidance: Termination.

- a. No Owner, through the abandonment of his Lot, may avoid the burdens or obligations imposed on him by the Subdivision Restrictions by virtue of his being an Owner.
- b. Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such Lot after the date such transfer is recorded, provided such transferring Owner notifies the Association of the transfer as provided by the Subdivision Restrictions, and no person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under the Subdivision Restrictions following the date of such termination.

Section 11.06: No Partition or Severance of Interests.

There shall be no partition or severance of any Lot, from the Subdivision and the Grantor, Board, Association and Owners shall not seek to partition or sever any part of a Lot from the Subdivision, nor shall they have any right to maintain an action for judicial partition in connection with the Subdivision unless such right is expressly given by the Subdivision Restrictions. This provision shall not prevent the partition of any Lot or Lots held in joint ownership as long as no physical partition takes place and there is no severance from any incident of the Subdivision Restrictions. No owner shall sever his Lot from its interest in the Association.

Section 11.07: Notices: Documents: Delivery.

Any notice or other document permitted or required by the Subdivision Restrictions to be delivered may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed as follows:

If to an Owner: At any House within the Subdivision owned by the Owner or at such other address given by Owner to the Association, in writing.

If to Grantor or to the Association:

Paradise Green Limited Partnership
Paradise Green Unit 2 Subdivision
c/o Argus Development Company, Inc.
6400 Uptown Blvd., N.E. Suite 200 West
Albuquerque, New Mexico 87110

Any such address may be changed from time to time by any Owner, or by Grantor by notice in writing, delivered to the Association, or by the Association, by notice in writing, delivered to all Owners.

Section 11.08: Ownership of Property.

All funds and facilities provided for by the Subdivision Restrictions and all property of any kind held by the Association and derived from assessments of members, proceeds of insurance carried or obtained by the Association, proceeds of bonds payable to the Association or payment received for damages to the Subdivision, and any right or interest in any such property shall belong to the Owners in proportion to each Owner's share of the maintenance assessment, and no assessment or the proceeds of any assessment shall be considered income to the Association. No person has any right to appropriate or make use of such property, except as provided by the Subdivision Restrictions until and unless there has been a partition or distribution of such property. All such property shall be appurtenant to each Lot in proportion to each Lot's share of the maintenance assessment and may not be severed or separated from any House, and any sale, transfer, or conveyance of the beneficial interest of the fee of any House shall operate to transfer the Owner's rights in such property without the requirement of any express reference thereto.

Section 11.09: Transfer of Easement Area.

By the Recording of this Declaration, Grantor shall transfer and convey to the Association, and the Association shall accept the beneficial interest in the Easement Areas. The Easement Areas may be subject to any or all of the following exceptions, liens, and encumbrances (a) the lien of real property taxes and assessments not delinquent; (b) such easements and rights of way as may have been offered for dedication to a political subdivision or public organization, or public utility corporation; (c) such easements and rights of way, licenses or rights of use on, over, or under all or any part of any such property or structures or improvements thereon as may be reserved to Grantor or granted to any Owner for the use thereof in accordance with the provisions of these Restrictions; (d) obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution, or regulation of the United States of America, the State of New Mexico, or any other political subdivision or public organization having jurisdiction over such property, or by virtue of any organization or body politic created pursuant to any such statute, law, ordinance or regulation; and (e) any other lien, encumbrance, or defect of title of any kind whatsoever (other than of the type which would, at any time, or from time to time, create a lien upon such property to secure an obligation to pay money) which would not materially and actually prejudice Owners in their use and enjoyment of such property.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

PARADISE GREEN LIMITED PARTNERSHIP
a New Mexico limited partnership

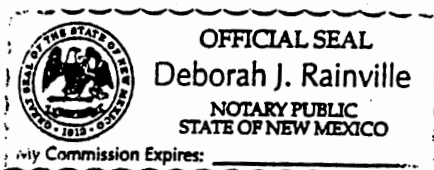
By: **ARGUS DEVELOPMENT CO., INC.**
a New Mexico corporation,
General Partner

By: *Ben F. Spencer*
Ben F. Spencer, President

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

On April 19, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared Ben F. Spencer, known to me to be President of Argus Development Co., Inc., a New Mexico corporation, a New Mexico corporation, General Partner of Paradise Green Limited Partnership, a New Mexico limited partnership, the person that executed the within instrument, and acknowledged to me that such executed the same on behalf of said partnership.

WITNESS my hand and official seal.



Deborah J. Rainville
Notary Public in and for said County and State

Paradise Greens Homeowners' Association, Inc.

FAQs

Adopted April 2026

Common questions, but not a complete list.

You are responsible for understanding all of your Governing Documents

Find them here: <https://paradisegreens.net/business.php>

1. Association Walls? Easements? – What are they?

It's important that you know this! See RCCs Section 1.05, 1.06, 1.08, 8.03g4 and view on plat. (Attached)

2. BONUS QUESTION: What is a plat?

A plat is an official map representing a tract of land showing the division of that tract into one or more separate parcels.

3. What does it mean if my house backs up to an Association Wall or Easement Wall?

Please take care of our biggest assets! See RCCs Section 3.03 and 8.03g4 i-iv

4. Is there a list of things I can and can't do on my property in this neighborhood?

There sure is. Refer to RCCs Article 3

5. Can I work from home?

Yes, but you'll need to check this out: RCCs 3.02q

6. Can I change the grade on my lot?

See 3.02p and 7.07, 8.03i, Contact the ACC

7. Can I have animals on my lot?

Depends. Refer to RCCs Section 3.02h

8. Can I make my house an Airbnb or VRBO?

Not for short term rentals. Please see RCCs 3.01a, and 7.05. Please contact the Board for more info.

9. Can I rent my house?

Yes, but see RCCs Section 3.01a, and 7.05. Please contact the Board for more info.

10. Can I get a satellite dish?

See RCCs Section 3.02j, and definitely see YOUR SOLAR RIGHTS here: <https://paradisegreens.net/business.php>. Contact the ACC

11. Can I add a Mother-In-Law addition to my house?

No. Refer to RCCs 3.01a, 8.03a

12. Can I put signs in my yard?

Refer to RCCs 3.02c, campaign signs OK for very short term.

13. Everything SHEDS

Refer to RCCs 3.02e, 8.03e, See Shed Guidelines here: <https://paradisegreens.net/business.php> and contact the ACC

14. Can I put outdoor lighting in my front yard?

Yes, but see RCCs 3.02b and 3.02i

15. Are there Quiet Hours in the neighborhood?

Yes, 10pm-7am. RCCs Section 3.02b, also <https://www.cabq.gov/environmentalhealth/noise>

16. All about general parking in the neighborhood:

Our streets are narrow and have limitations. Better see all of these: Read RCCs 3.02d, 3.02k, 3.02l, and 7.03

17. Can I park an RV or Trailer on my property?

Some lots support such parking behind a vehicle gate. See RCCs 3.02d, See Gate Guidelines here: <https://paradisegreens.net/business.php> and contact the ACC

18. Can I put a clothesline in my backyard?

Depends. See RCCs 3.02f. No to lots that backup to the golf course

19. Things to keep in mind:

RCCs 3.02b, 3.02n, 7.01, 7.04, 7.05, 7.06, 11.03b, 11.05a

20. Can the Association come on my property?

They can do more than come on your property. See RCCs 5.02i

21. Is joining the HOA mandatory?

Yes, See RCCs 5.04b

22. What are the duties of the Association?

The Duties and Obligations of the Association are defined in RCCs 5.04

23. Will this neighborhood always be an HOA?

Depends. See RCCs 5.01b, 11.01b

24. Can we hire a management company to manage the Association?

Yes, but Dues will be much higher. See RCCs 5.04f

25. Can the Association put a lien on my property?

Yes, the Association may place a lien on your property. Refer to RCCs Article 6

26. What happens if I foreclose on my property?

Refer to RCCs Section 9.01, 9.03

27. What are the penalties for paying my Annual Dues late

Please see RCCs 6.07

28. When you have guests in the neighborhood:

You are responsible for all of them, all the time. See RCCs 7.05

29. What are my responsibilities as an Owner?

The responsibilities of the Owners are defined in RCCs 7

30. My next-door neighbor damaged our shared wall. What happens now?

Start here: RCCs 7.02, and contact the ACC

31. Can the Association charge me a fee for not following the RCCs?

Yes. See RCCs 6.04

32. Do I have to pick the weeds and maintain the area of my front yard between the sidewalk and the curb?

Yes, while the city owns that little strip, you are responsible for making it look great. See RCCs 7.04

33. What about windows?

Yes, you need approval. All exterior improvements must be approved. Refer to RCCs 8.02a, 8.02b, 8.03

34. What colors can I paint the trim on my house?

Refer to RCCs Section 8.03f. Contact the ACC.

35. Do I need ACC approval to paint my trim? (Even if it's the same color?)

Yes, 8.03f

36. Do I need permission to put a flower garden in my front yard?

Yes, see RCCs Section 8.03i

37. What things must I get permission for from the ACC?

So glad you asked. See RCCs Article 8

38. How long will it take for the ACC to approve my request?

See RCCs Section 8.02c, but usually less than a week

39. On what occasion would my requests be disapproved by the ACC?

8.02c-3rd paragraph

40. Can I paint my house number?

Great question! See 8.03d, Contact the ACC

41. Gates, Walls and Fences

Check these out: RCCs 7.02, 8.03g, 8.03h Contact the ACC

42. Can we amend the RCCs?

Yes, refer to RCCs 11.01

43. Can my lot be split or consolidated with another?

See RCCs 11.04

44. Are Board Members Paid?

No. We are considered a Domestic Nonprofit Corporation in the State of New Mexico (53-8-2) We serve because we love this neighborhood.

45. Have other questions?

Please email them to: paradisegreenshomeownersassoc@gmail.com

Paradise Greens Golf Course



GOLF COURSE ROAD NW



IRVING BLVD

Easement Areas Include: Association Walls Entryway Easement Corridors Tract A Landscape Areas

⊙ Block 1-P1 Lot Number 🔴 Hydrant 🔵 USPS