

AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR PONDEROSA VIEWS AND PONDEROSA VIEWS PHASE II

This Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Easements ("Master Declaration") is made this 3rd day of July _____, 2007, by Ponderosa Views, L.L.C., a New Mexico Limited Liability Company, hereafter called "Declarant." This Amended and Restated Master Declaration shall replace and supercede all prior Master Declarations made by the Declarant.

WITNESSETH:

Whereas, Declarant is the fee simple owner of certain real property located in Catron County, New Mexico, hereinafter referred to as the "Property," described as follows:

The PONDEROSA VIEWS SUBDIVISION, as shown and designated on the Final Plat (hereinafter, the "Final Plat") entitled "Ponderosa Views Subdivision," a portion of Section 19 & Section 20, T3N, R11W, N.M.P.M., filed of record in the office of the County Clerk of Catron County, New Mexico, on the 5 day of July, 2006, in Volume/book B, at page/folio 511; and

The PONDEROSA VIEWS SUBDIVISION PHASE II, as shown and designated on the Final Plat (hereinafter, the "Final Plat") entitled "Ponderosa Views Subdivision Phase II," a portion of Section 20 & all of Section 21, T3N, R11W, N.M.P.M., filed of record in the office of the County Clerk of Catron County, New Mexico, on the 3rd day of July, 2007, in Volume/book B, at page/folio 561.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to this Master Declaration, which Master Declaration shall be and are easements, restrictions, covenants and conditions appurtenant to and running with the land, and shall be binding upon and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, and their respective heirs, successors and assigns, as their respective interests may appear.

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ARTICLE 1 DEFINITIONS

Section 1. "Association" shall mean and refer to the Ponderosa Views Landowners' Association, Inc.", a not-for-profit corporation organized pursuant to Section 53-8-1 et seq. of the New Mexico Statutes Annotated, as amended from time to time, and its successors and assigns.

Section 2. "Association Documents" shall mean the Association's Articles of Incorporation and By-Laws as the same may, from time to time, be amended and exist.

Section 3. "Board" shall mean the Board of Directors of the Association, whose duties shall be the management of the affairs of the Association subject to this Master Declaration and Association Documents.

Section 4. "Declaration" shall mean this entire document, which may be amended from time to time.

Section 5. "Final Plats" shall mean and refer to the Plat of The PONDEROSA VIEWS SUBDIVISION AND the Plat of The PONDEROSA VIEWS SUBDIVISION PHASE II, which Plats are defined and referenced in the Recital above.

Section 6. "Lot" shall mean and refer to any numbered parcel as shown on the Final Plats, including any amendment of the Final Plats.

Section 7. "Owner" shall mean and refer to the record owner, and if more than one person or entity, then to them collectively, of the fee simple title to any Lot which is a part of the Property, so that for purposes of this Master Declaration and the Association Documents, each Lot shall be deemed to have one Owner. The Declarant is an Owner for all purposes under this Master Declaration to the extent of each Lot owned by Declarant.

Section 8. "Person" shall mean an individual, corporation, partnership, trust, or any other legal entity.

Section 9. "Property" shall mean and refer to the Property, as defined above, being The PONDEROSA VIEWS SUBDIVISION AND PONDEROSA VIEWS SUBDIVISION PHASE II, as shown and designated on the Final Plats.

Section 10. "Work" shall mean the initial development of the Property by Declarant and includes the roadwork within those areas marked on the Final Plats as Road Right-of-Ways.

ARTICLE II ASSOCIATION

Section 1. The Association. The Association has been formed to carry out the purposes specified in this Master Declaration including but not limited to owning, holding, managing and otherwise dealing with Common Areas as provided for herein, and shall be authorized to engage in the business of a homeowner's association with the powers granted non-profit corporations under the New Mexico Nonprofit Corporation Act, Article 8, Section 53, New Mexico Statutes Annotated, as amended.

Section 2. Membership.

(a) Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall automatically be a Member of the Association. Association membership shall be an interest appurtenant to title of each Lot and may not be separated from ownership of any Lot which is subject to assessment, as set forth herein, and shall be transferable only as part of the fee simple title to each Lot.

(b) The rights, duties, privileges and obligations of an Owner as a Member of the Association shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of this Master Declaration and the Association Documents; provided, that, if a conflict arises between the Master Declaration and the Association Documents, the Master Declaration shall take priority.

Section 3. Voting. The Association shall have two classes of voting membership:

(a) Class A. So long as there is Class B membership, Class A Members shall be all Owners, except the Declarant, and shall be entitled to one vote for each Lot owned by such Members. Upon termination of Class B membership, Class A Members shall all be Owners including Declarant so long as Declarant is an Owner, and each Owner shall be entitled to one vote for each Lot owned. If more than one (1) person owns an interest in any Lot, all such persons are Members; and the vote for such Lot may be exercised as the Owners determine among themselves; but no split vote is permitted.

(b) Class B. The Class B Member shall be the Declarant and as long as there is a Class B voting membership the Declarant shall be entitled to three (3) votes for each Lot owned by the Declarant. Class B membership shall cease and be converted to Class A membership upon the happening of any of the following events, whichever occurs earlier:

(i) Until such time as the Class B Member owns twenty (21) or fewer Lots;

(ii) On January 1, 2015, or

(iii) When the Declarant waives in writing its right to Class B membership and agrees to the conversion of such into Class A membership.

Section 4. Services. The Association may obtain and pay for the services of any Person to manage its affairs to the extent the Board deems advisable, as well as such other personnel as the Board determines are necessary or desirable, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. Without limitation, the Board may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Master Declaration, the Association Documents or the Owners' Association Rules.

Section 5. Capital Improvements. Except for: (i) the replacement or repair of items installed by Declarant as part of the Work, if any; (ii) the repair and replacement of any personal property; or (iii) as set forth in Article II, Section 5, the Association may not expend funds for capital improvements without the prior approval of at least one half (1/2) of the total votes cast, in person or by proxy, at a regular or special meeting of the Members duly called and convened to approve such expenditure.

Section 6. Personal Property. The Association may acquire, hold and dispose of tangible and intangible personal property, subject to such restrictions as from time to time may be contained in the Master Declaration and the Association Documents.

Section 7. Owners' Association Rules. The Association from time to time may adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Lots, and other areas, or any combination thereof, which rules and regulations shall be consistent with the rights and duties established by this Master Declaration. These regulations shall be binding upon Owners and the Association may impose reasonable monetary fines and other sanctions for violations of the rules which may be collected by lien and foreclosure as provided herein and in accordance with New Mexico Statutes Annotated and the rules and practices for foreclosures in the District Courts of New Mexico. All Owners' Association Rules initially may be promulgated by the Board but are subject to amendment or rescission by vote of not less than two thirds (2/3rds) of the total votes cast, in person or by proxy, at a regular or special meeting of the Members duly called and convened to consider amendment or rescission of the Owners' Association Rules. The Association's procedures for enforcing Owners' Association Rules shall provide the affected Owner with reasonable prior notice and a reasonable opportunity to be heard, in person and through representatives of such Owner's choosing.

Section 8. Powers and Authority. The Association shall have the power and authority 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 Articles of Incorporation of the Association and this Master Declaration 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 for the safety and/or general welfare of the Owners. Without in any way limiting the generality of the foregoing, the Declarant hereby grants an easement for, and

the Association shall have the power and authority but not the obligation at any time and from time to time, and without liability to any Owner, to enter upon any Lot for the purpose of enforcing any and all of the provisions called for herein, or for the purpose of maintaining and repairing any such Lot if for any reason whatsoever the Owner thereof fails to maintain and repair such Lot as required. The Association shall also have the power and authority from time to time, in its own name, or its own behalf or 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 this Master Declaration, the Association Documents and the Owners' Association Rules and to enforce, by mandatory injunction or otherwise, the provisions of this Master Declaration, the Association Documents, and the Owners' Association Rules.

Section 9. Indemnification of Officers and Directors. To the extent permitted by New Mexico law including but not limited to Section §53-8-15 New Mexico Statutes Annotated, as amended, the Association shall, and all Owners, as Members of the Association, hereby agree that the Association shall indemnify each officer, director, employee, and management contractor from any and all expenses, including legal expenses, incurred or arising out of such person's acts undertaken on behalf of the Association. This provision is self-executing, and the Association may also take any action desired to carry out its purposes.

Section 10. Alternatives if Quorum Not Present. A quorum is defined by the By-Laws of the Association as one-tenth (1/10th) of the votes eligible to be cast on a matter. If the quorum of Members required by the By Laws of the Association is not present at any meeting of the Members of the Association duly called:

(a) (i) the President; or (ii) the Board; or (iii) a majority of the Members attending such meeting, in person or by proxy, may approve voting to take place by paper ballot and then adjourn the meeting. The Secretary shall prepare and distribute the ballots to the Members eligible to cast votes on the matter(s) within fifteen (15) days following the adjournment of the meeting. The Members entitled to vote on the matter(s) to be heard at the meeting shall have 30 days from the date the ballots are distributed to return ballots to the Secretary. The Board shall count the ballots and the Secretary of the Association shall notify the Membership no later than fifteen (15) days after the close of the vote of the results of the votes cast by ballot. The total number of votes cast by ballot shall be used to determine if a quorum was achieved for voting purposes.

(b) In the alternative, if not less than two-thirds (2/3rds) of the Members actually attending the meeting cast an affirmative vote, the meeting may be adjourned and, on verbal notice to the Members attending, a special meeting may be immediately called to consider the matter(s), in which case the presence in person or by proxy of those Members entitled to cast one-fifteenth (1/15th) of the total votes entitled to be cast on the issue(s) at a meeting of the Members of the Association shall constitute a quorum for such meeting (i.e. based on 107 lots, the alternative quorum is seven (7) votes).

Further provided, the attendance at a meeting of the Members of the Association attended in person or by proxy by the Declarant shall constitute a quorum as long as the Declarant is a Class B Member of the Association.

ARTICLE III **COMMON PROPERTY**

Section 1. Conveyance of Common Property. The Declarant may from time to time designate and convey to the Association easements and/or fee simple title to real property including but not limited to the land described in the Final Plats as road right-of-ways and any Community Parcel or Common Area for the common use and enjoyment of the Owners, subject to this Master Declaration. The Declarant does hereby transfer to the Association all easements granted on, over and through the property. The Association's title to all easements and all such conveyances of Common Area are subject to the terms and conditions of this Master Declaration and the obligations set forth herein.

Section 2. Owner's Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot; provided, however, that no Owner shall do any act which interferes with the use and enjoyment of the Common Area by all other Owners; and provided further, said easement shall be subject to the following rights, title and interest:

(a) The right of Declarant and the Association to establish and maintain reasonable controls on the pedestrian and vehicular traffic across the road right-of-way for ingress and egress into and within the Property; and

(b) The right of Declarant and the Association to grant easements in and to the Common Area for all utility services, including cable television and other public uses which benefit the subdivision as a whole.

(c) The right of the Association to borrow money for the purpose of improving the Common Area or acquiring additional common area property.

(d) The right of the Association to dedicate, transfer and convey all or any part of its right, title and interest in the Common Area to any public agency, authority, or utility or, subject to such conditions as may be agreed to by the Owners, to any other Person for such purposes; provided, however, the Common Area cannot be conveyed without the vote, in person or by proxy, of two-thirds (2/3rds) of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened to approve the conveyance.

Section 3. Responsibilities of the Association and Release of Liability.

(a) Upon conveyance of a Common Area to the Association by Declarant, the Association shall be responsible for such Common Area, including but not limited to, its

operation, management, care, restoration, insurance, renovation, alteration, reconstruction, repair, maintenance, rebuilding, replacement and improvement, and for the payment of taxes and utilities for the Common Area.

(b) Any private streets, street lights, drainage systems, fences, and other improvements that have been constructed, installed or created by the Declarant within Common Areas and as part of the Work shall be maintained by the Association in the same condition and appearance as constructed or created. The Association shall establish reserves for the replacement of the subdivision improvements.

(c) By acceptance of a deed to a Lot within the Property, each Owner agrees that the Association and the Declarant have no obligations whatsoever for providing protection to persons on the Property. Each Owner further agrees that the Declarant and the Association shall have no obligation whatsoever for providing protection to Owner or the Property from conditions existing within public or private streets or Common Areas.

Section 4. Common Areas Easements.

(a) Declarant has dedicated and conveyed or will dedicate and convey to the Association that portion of the Property described on the Final Plats as road right-of-ways. Easements for installation and maintenance of utilities are reserved within the road right-of-way and the set-back areas of the Lots as further specified in Article V, Section 3. Within these easements and except as otherwise allowed by the beneficiaries of such easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the roads and utilities located from time to time within the road right-of-way and the utility easements.

(b) Fire, police, health, sanitation (including trash collection) and other public service personnel and vehicles shall have and are hereby granted a permanent, non-exclusive and perpetual easement for ingress and egress over and across the road right-of-way shown on the Final Plats for purposes of providing such services to the Owners.

(c) Declarant hereby reserves an easement across the Common Area for the installation, maintenance and use of all utilities, the high-speed data communications lines, distribution facilities and equipment and cable television lines, distribution facilities and lines. This easement may be transferred in whole or in part to any franchised high-speed data communication operator and any cable television operator.

ARTICLE IV **ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (i) annual assessments or charges, hereinafter referred to as "Annual Assessments", (ii) special assessments for

capital improvements, hereinafter referred to as "Special Assessments", and (iii) specific assessments for accrued liquidated indebtedness of individual Owner(s) to the Association, hereinafter referred to as "Specific Assessments," with such assessments to be established and collected as hereinafter provided. The Annual, Special and Specific Assessments, hereinafter collectively referred to as "Assessments", together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which an Assessment is made. The Assessments, together with interest, costs, reasonable attorney's fees and paralegal fees together with any sales or use tax thereon, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessments fell due. However, the personal obligation of an Owner for delinquent Assessments shall not pass to said Owner's successors in title unless expressly assumed in writing by such successors, but shall continue to be a charge on and lien against the Lot which, if not paid, shall entitle the Association to exercise its remedy of foreclosure, as further provided herein, against the Lot subject to the continuing lien for the delinquent Assessments and, at the option of the Association, to exercise its collection remedies, either in the foreclosure action or by separate action, against the Person who was the Owner of such Lot at the time when the Assessments fell due.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of carrying out the rights and obligations of the Association as defined in this Master Declaration, including but not limited to the acquisition, management, insurance, and maintenance of the Common Areas and any other Properties which the Association is responsible for maintaining; the maintenance of a reserve fund for the replacement of improvements thereon or anticipated to be required in the future; the enforcement of the Master Declaration, a Supplemental Declaration, and Association Documents; the enforcement of covenants, conditions and restrictions established herein and the enforcement of Owners' Association Rules established from time to time by the Association; the payment of operating costs and expenses of the Association; maintenance of any Common Areas; and the payment of all principal and interest when due and all debts owed by the Association.

Section 3. Annual Assessments. The Annual Assessment shall be used exclusively to promote the community within the Property, including (i) those other responsibilities as outlined herein, and (ii) all other general activities and expenses of the Association, including but not limited to the enforcement of this Master Declaration, the Association Documents, and the Owners' Association Rules established from time to time by the Association. The initial annual assessment fee levied by the Association is One Hundred Dollars (\$100.00) per Fiscal Year of the Association per Lot payable in advance. The first annual assessment fee payment deadline for the Lots shall be due January 31 of the calendar year following the purchase of your lot, with the annual assessment due each year thereafter by the 31st of January of each succeeding calendar year.

Section 4. Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy, in any Assessment year, Special Assessments for common expenses of the Association applicable to that year only. Except as specifically

provided otherwise in this Master Declaration (e.g., Article II, Section 5), any Special Assessment shall have the assent of the Members if the Members, in person or by proxy at any regular or special meeting of the Members duly called and convened to approve such Special Assessments, cast at least two-thirds (2/3) of the total votes cast, in person or by proxy, at a regular or special meeting of the Members duly called and convened to approve such Special Assessments.

Section 5. Specific Assessments. Any and all accrued liquidated indebtedness of any Owner to the Association arising under any provision of this Master Declaration, or by contract, express or implied, or because of any act or omission of any Owner or person for whose conduct such Owner is legally responsible, also may be assessed as a lien by the Association against such Owner's Lot, as a Specific Assessment, after such Owner fails to pay such indebtedness within thirty (30) days after written demand.

Section 6. Notice for Any Action Authorized. Except as provided in Article II, Section 10(b) above, written notice of any meeting called for the purpose of taking action authorized to increase the Annual Assessment or to approve a Special Assessment shall be sent to all Members authorized to vote not less than ten (10) days nor more than fifty (50) days in advance of the meeting.

Section 7. Uniform Rate of Assessment. Both Annual and Special Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or quarterly basis in the discretion of the Board. Otherwise, such shall be payable in full yearly on the date the Assessment comes due. The share of each Lot in payment of the Annual and Special Assessments shall be a fraction the numerator of which is one and the denominator is the total number of Lots subject to assessment under this Master Declaration at such time.

Section 8. Other Charges and Costs Assessable. The Association may levy and assess charges, costs and fees for matters such as, but not limited to, the following, in such reasonable amounts(s) as the Board may determine in its discretion at any time and from time to time, including reimbursement of charges that are made to the Association by its managing agent or any other Person: copying of Association or other documents; return check fees; mileage at rate approved under New Mexico law for reimbursement for state employees; facsimiles; long distance telephone calls; notices and demand letters; and other charges incurred by the Association for or on behalf of any Owner(s). All such charges, costs and fees shall be in addition to the Assessments levied by the Association, but shall be subject to all of the Association's rights with respect to the collection and enforcement of Assessments.

Section 9. Adjustment of Monetary Fees, Penalties, and Costs. All monetary amounts stated in this Master Declaration, or established from time to time by the Association as a charge, fee, cost or monetary fine, are subject to increase as determined by the Association at an annual or special meeting to reflect inflationary effects on such charges, fees, costs or monetary fines and/or the rising costs to the Association with respect to charges, fees, costs or monetary fines imposed by the Association.

Section 10. Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all sums collected in such year by way of Annual Assessments or otherwise, and may carry forward, as surplus, any balances remaining; nor shall the Association be obligated to apply such surplus to the reduction of the amount of the Annual Assessments in any succeeding year but may carry forward from year to year such surplus as the Board may deem to be desirable for the greater financial security of the Association and the effectuation of its purposes. Such surplus need not be used to augment or replace operating reserves established by the Association.

Section 11. Certificate as to Status of Payment. Upon written request of an Owner, the Association shall, within a reasonable period of time but in any case within thirty (30) days of the Association's receipt of such written request, issue a certificate to that Owner giving the status of all Assessments, including penalties, interest and costs, if any, which have accrued to the date of the certificate. The Association may make a reasonable charge for the issuance of such certificate.

Section 12. Assessment Lien. All sums assessed to any Lot, together with interest and all costs and expenses of collection (including reasonable attorneys' fees and paralegal fees, plus any applicable sales or use tax thereon, including those for trial and all appellate proceedings), are secured by a continuing lien on such Lot in favor of the Association. The right of redemption with respect to the foreclosure of such lien shall be **three (3) months in lieu of nine (9) months.** All other Persons acquiring liens on any Lot, after this Master Declaration is recorded, are deemed to consent that such liens are inferior to the lien established by this Master Declaration whether or not such consent is set forth in the instrument creating such lien. The recording of this Master Declaration constitutes constructive notice to all subsequent purchasers and creditors, or either, of the existence of the Association's lien and its priority. The Association from time to time may, but is not required to, record a notice of lien for the delinquent Assessments against any Lot in the public records for Catron County, New Mexico.

Section 13. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate equal to the higher of (a) eighteen percent (18%) per annum, or (b) Judgment Rate of Interest established pursuant to Section 56-8-4 of the New Mexico Statutes Annotated, as amended from time to time. The Board may from time to time establish a lower rate of interest for any Assessment; provided, such shall not be deemed to waive the right to collect interest as provided above if the lower rate of interest is challenged by an Owner and, further, the Association's power to establish a rate of interest shall not violate the law of the State of New Mexico. The Board may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot subject to the lien for unpaid Assessments. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing, waiving, or otherwise impairing the Associations' lien or its priority. No Owner may waive or otherwise escape liability for the Assessments provided for herein by abandonment of his Lot.

Section 14. Homesteads. By acceptance of a conveyance of title to any Lot, each Owner is deemed to acknowledge conclusively that (i) the assessments established by this Article are for the improvement and maintenance of any homestead thereon; (ii) the Association's lien for such assessments has priority over any such homestead; and (iii) such Owners irrevocably waive the benefit of any homestead exemption otherwise available with respect to all amounts validly secured by such lien.

Section 15. Declarant's Limitation of Liability for Assessments. Notwithstanding anything herein to the contrary, the Lots owned by Declarant shall not be subject to Assessments established by this Article. Until such time as there is an adequate number of Owners to pay the Annual Assessments to carry out the Association's obligations, the Declarant may, at its option, contribute cash and/or in kind services to the Association to assist the Association in meeting its obligations.

ARTICLE V

COVENANTS, CONDITIONS AND RESTRICTIONS

The following covenants, conditions, restrictions are herewith imposed on the Lots within the Property:

Section 1. Natural vegetation shall be left undisturbed, except for such clearing necessary to use the Lot for its intended residential purpose or for fire safety zones around permanent structures. No logging or tree cutting operations are to be conducted on any Lots except to thin trees where necessary. The natural beauty of the land must be preserved and maintained.

Section 2. All trash or junk shall be deposited in sanitary containers and hauled to the County landfill. No junk vehicles or junk mechanical equipment of any kind are permitted on the property. Lots shall be kept in a clean and tidy condition. No tar paper shacks, or dilapidated unkempt trailers, manufactured homes or buildings are to be constructed or placed on the property. All residential structures are to be built to current New Mexico State Code Standards at the time of construction. All homes, manufactured homes, and outbuildings are to be of a professional quality and workmanship.

Section 3. No building structure, manufactured home, trailer or tent, on any Lot, shall be nearer than seventy five (75) feet to the street line, nor nearer than forty (40) feet to the side Lot line, nor nearer than forty (40) feet from the back Lot line. Side and rear Lot lines shall have a fifteen (15) foot utility easement. The back lot line on the Property's boundary shall have and is made subject to a twenty (20) foot wide utility easement. An additional ten (10) foot utility easement may be reserved by the Association, at its sole option, along each side of all road right-of-ways.

Section 4. Business or commercial ventures may be conducted on any of the Lots provided (a) such use is incidental to the primary use of the Lot for residential purposes and (b) that such business or commercial venture must be and are fully contained inside

one or more buildings. Such use shall not interfere with the quiet enjoyment of the adjacent Lots or of the Common Area.

Section 5. Animals shall be confined within the boundaries of each parcel; they shall not be allowed to graze on adjoining properties. Livestock must be kept in sanitary conditions. No pigs shall be raised on any of the Lots within Ponderosa Views and Ponderosa Views Phase II with the exception of school or 4-H projects. Dogs must be kept on leashes or within the boundaries of the Owner's property. Dogs shall not be allowed to roam freely throughout the development.

Section 6. All structures, except antennas and windmills, shall not be more than thirty (30) feet in height.

Section 7. None of the Lots in the Subdivision shall be resubdivided into Lots smaller nor conveyed in less than the full original dimension of such Lot as shown on the Plats, except for public or private utilities, in which event, the remaining portion of said Lot shall be treated as a whole Lot for the purpose of this provision.

Section 8. Reflective address signs for emergency purposes may be placed on the driveway and must be maintained by Owner.

Section 9. All Lots are restricted to one (1) residence per Lot and one (1) guesthouse per Lot. In no event shall the guesthouse be inhabited on a full time basis.

Section 10. The following conservation measures are to insure that water use does not exceed 0.35 acre-feet per year (AFY) or 312 gallons per day in each lot:

- Water-saving fixtures shall be installed in all new residential structures. Water-saving fixtures shall include but not be limited to, low flush toilets, low flow shower heads, low flow faucets, any appliances that have water saving features such as washing machines and dish-washers and insulation of hot water pipes.
- For outdoor use, the total irrigated area shall not exceed 800 square feet per lot. The 800 square feet may be planted in any combination of trees, shrubs, annuals and perennials, grasses, and garden. Grasses should be selected that are well adapted to local climatic conditions, and non-native grasses are discouraged. Low water use landscaping techniques applying the principles of xeriscape shall be utilized. Drip irrigation is encouraged wherever possible.
- Swimming pools, water gardens, ponds, or other outdoor water features holding more than 1,000 gallons are prohibited.
- Rainwater harvesting features, such as cisterns, downspout collection, and grading, shall be encouraged.
- Grey water systems shall meet the requirements of the New Mexico Construction Industries Division and the Uniform Building Code.

Section 11. Manufactured, prefabricated, pre-erected or modular homes are permitted upon all Lots as a single family dwelling in addition to site built homes. Factory-built homes must have shingled roofs. No single-wide mobile home shall be allowed on the property.

Manufactured, prefabricated, pre-erected or modular homes shall not exceed one (1) year of age from the date it is moved on the development, or in the event it does, the Association Board must approve, in writing, that the age of the dwelling does not interfere with the conformity and aesthetics of the environment or development. Board approval must be received prior to the home being delivered to the site. No tires, stones or unsightly objects shall be placed on the roof of any dwelling. No shiny, galvanized or corrugated metal roofs shall be used on any building. Painted propanel metal roofs are approved.

Any site built dwellings that are to be inhabited shall be a minimum of one thousand two hundred (1,200) square feet in ground floor building area and shall be skirted if built on piers. Manufactured and/or modular homes must be a minimum of twenty-eight by forty-five feet (28' x 45') and shall be blocked and set, either below or above ground level in a professional manner, with approved manufactured home skirting completely around the base of the above ground dwelling. The skirting must be installed within two (2) months from the initial placing of the dwelling on the Lot, and all available utilities and water and septic shall be properly installed within said two (2) month period of time.

All exterior walls of homes, whether manufactured, prefabricated, pre-erected, modular or site built, must be finished and maintained in good condition and repair.

Section 12. Factory made recreational vehicles and travel trailers may be used on an occasional basis for recreational use and may be stored on the property. They may also be used as a temporary residence during construction of a site built home or during preparation of the property for a manufactured or modular home. In no event shall these be used as permanent residences or in any way, be permanently attached to the land. Owners and/or their guest may not live in an RV, travel trailer or camp on the land in any other form for more than six (6) months in any calendar year.

Section 13. Owners must install septic tanks on their Lot if they park an RV or travel trailer and use it for more than two (2) months. In no event shall an Owner discharge sewage onto their property. The Owner must comply with all state and/or county health department guidelines; whichever is more restrictive, when installing a septic system. If a residence is placed upon or permanently attached to the property, the Owner is responsible for drilling his or her own well within six (6) months of the date of placement or completion.

Section 14. No hunting, including trapping, shall be permitted within the Property.

Section 15. All survey pins and markers within the Property including those found within the Lots are to be left in the place and condition in which they were originally set.

Section 16. Alterations in the surface grade of a Lot may have a material and detrimental affect to surface water drainage to and from other Lots and shall be approved by the Board of Directors prior to any work being done by an Owner that would change the grade of, or surface drainage to and from, the Owner's Lot. Each Owner is responsible for installing appropriate culverts, when a Lot's driveway is installed, so as to not adversely affect the surface water drainage within the Property.

ARTICLE VI MISCELLANEOUS

Section 1. Enforcement. Each Owner shall comply strictly with the covenants, conditions, restrictions, and easements set forth in this Master Declaration. In the event of a violation or breach, or threatened violation or breach, of any of the same, the Declarant, the Association, or any Owner, jointly and severally, shall have the right to proceed at law or in equity for the recovery of damages, reasonable monetary fines and other sanctions for violations of this Master Declaration or any supplemental declaration hereto, for injunctive or other equitable relief, or all of the foregoing. If any Owner or the Association is the prevailing party in any litigation involving this Master Declaration, then that party also has a right to recover all costs and expenses incurred (including reasonable attorneys' fees and paralegal fees together with any applicable sales or use tax thereon). Failure by the Declarant, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

In addition to the above rights, the Association shall have a Right of Abatement if the Owner fails to take reasonable steps to remedy any violation or breach within thirty (30) days after written notice sent by certified mail. A Right of Abatement, as used in this Section means the right of the Association, through its agents and employees, to enter at all reasonable times upon any Lot or structure, as to which a violation, breach or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach, or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions; provided, such entry and such actions are carried out in accordance with the provisions of this Article. The cost thereof including the costs of collection and reasonable attorneys' fees, and paralegal fees (together with any applicable sales or use tax thereon) together with interest thereon at higher of the rate of eighteen percent (18%) per annum or the Judgment Rate of Interest established pursuant to Section 56-8-4 of the New Mexico Statutes Annotated, as amended from time to time, shall be a binding personal obligation of such Owner, enforceable at law, and shall be a lien on such Owner's Lot enforceable as provided herein.

Section 2. Severability. If any term or provision of this Master Declaration or the Association Documents or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Master Declaration and the Association Documents, and the applications thereof, shall not be affected and shall remain in full force and effect and to such extent shall be severable.

Section 3. Duration. This Master Declaration, inclusive of all easements reserved by or on behalf of the Declarant or Association, shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Owner of any land subject to this Master Declaration, their respective heirs, legal representatives, successors and assigns, for a term of twenty (20) years unless an instrument signed by the then record Owners of all of the Lots has been recorded, agreeing to change this Master Declaration in whole or in part. This Master Declaration shall automatically renew each ten (10) years thereafter unless a decision to not renew this Master Declaration has been approved by vote, in person or by proxy, of at least two-thirds (2/3) of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened and held prior to the date of automatic renewal. This Master Declaration may be terminated upon unanimous vote, or written consent in lieu thereof, of all Owners and holders of first mortgages on the Lots; provided, that the terms governing the easements herein granted, including, specifically, the easements reserved by or on behalf of the Declarant or Association, shall not be affected by any such termination or by the failure of the renewal of this Declaration.

Section 4. Amendment. This Master Declaration may be amended by an instrument signed by the duly authorized officers of the Association provided such amendment has been approved by vote, in person or by proxy, of at least two-thirds (2/3) of the total of votes of all Members able to be cast at any regular or special meeting of the Members duly called and convened and held to approve such amendment. Any amendment, to be effective, must be recorded. Notwithstanding anything herein to the contrary, so long as the Declarant shall own any Lot, no amendment shall diminish, discontinue, or in any way adversely affect the rights of the Declarant under this Master Declaration.

Section 5. Supplemental Declarations; Annexation of Additional Property. Declarant may, from time to time, add lands to the Property by the filing of a supplemental declaration declaring such annexed lands to be subject to the provisions hereof, with such modifications and additions as may be applicable to such annexed lands. Upon the filing of such a supplemental declaration, the Lots and lands annexed thereby shall become subject to this Master Declaration, to the assessment provisions hereof, and to the jurisdiction of the Association.

Section 6. Amplification. The provisions of this Master Declaration and any Supplemental Declaration are amplified by the Association Documents; but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Master Declaration and any applicable Supplemental Declaration on the one hand, and the Association Documents on the other, and such shall be interpreted, construed, and

applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Master Declaration control over any terms or provisions in the Articles or By-Laws to the contrary.

Section 7. Permission. When any act by any party affected by this Master Declaration, which by the terms of this Master Declaration requires the permission or consent of the Declarant, such permission or consent shall only be deemed given when it is in written form, executed by the Declarant.

Section 8. Applicable Law. The law of the State of New Mexico shall govern the terms and conditions of this Master Declaration.

Section 9. Notice. Unless otherwise stated herein, any notice required or permitted to be given pursuant to this Master Declaration shall be in writing sent by prepaid, first class mail to such address of the Person to be notified as such Person may have designated or as would be reasonably anticipated to effectuate receipt of the notice. Any such notice shall be effective upon mailing in conformity with this Master Declaration. If any Person consists of more than one Person or entity, notice to one as provided herein shall be notice to all.

Section 10. Declarant and Association. Notwithstanding anything contained herein or in the articles of incorporation, by-laws, any rules or regulations of the association or any other document governing or binding the Association (collectively the "Association Documents"), neither the Association nor the Declarant nor any officer or employee thereof shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any owner, occupant or user of any portion of Property including, without limitation, residents and their families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Each Owner (by virtue of his acceptance of title to his Lot) and each other person having an interest in or lien upon, or making any use of, any portion of the properties (by virtue of accepting such interest or lien or making such uses) shall be bound by the terms and provisions of this Section and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the association arising from or connected with any matter for which the liability of the Association has been disclaimed in this Section.

IN WITNESS WHEREOF, the Declarant has caused these presents to be executed in its name by its officers thereunto duly authorized on the day and year first above written.

Ponderosa Views, L.L.C.

By David Wolfswinkel
David Wolfswinkel, Manager

STATE OF New Mexico)
COUNTY OF Catron) ss
)

The foregoing instrument was acknowledged before me this 3 day
of July, 2009 by David Wolfswinkel, Manager, Ponderosa Views,
L.L.C.

Elizabeth D. Baker
Notary Public

My commission expires: 15 January 2009