

(As amended by the Association on July 7, 2001)

DECLARATION OF PROTECTIVE
COVENANTS FOR THE SANGRE DE
CRISTO ESTATES, AS AMENDED

originally formed to govern the real estate of
the Subdivision (as hereinafter defined); and

WHEREAS, the Association, for and
on behalf of the Owners of the real estate of
the Subdivision, at a duly constituted

Aug 11 15, 2001 10:37 AM

THIS DECLARATION was
originally made the 19th day of July, 1990,
by CHARLES P. BRYANT, a single man
(hereinafter referred to as "Declarant"), duly
recorded in the records of the Clerk of Santa
Fe County, New Mexico on July 25, 1990 in
Book 688, pages 571-595, and amended by
that certain Amendment to Declaration of
Protective Covenants for Sangre de Cristo
Estates Annexation of Phase 2, Lots
numbered 16-41, dated September 19, 1990,
duly recorded in the records of the Clerk of
Santa Fe County, New Mexico on October
8, 1990 in Book 696 pages 688-689, and
further amended by a Second Amendment
effective the 5th day of August 2000, duly
recorded in the records of the Clerk of Santa
Fe County, New Mexico on
_____, 2001, in Book _____,
pages _____ - _____, and further amended by a
Third Amendment effective the 7th day of
July, 2001, duly recorded in the records of
the Clerk of Santa Fe County, New Mexico
on _____, 2001 in Book _____
_____, pages _____ - _____.

WHEREAS, Declarant as the owner
of certain real estate in Santa Fe County,
New Mexico, more particularly described on
Exhibits A and B attached hereto and
incorporated herein by this reference,
imposed protective covenants on Phase 1
and Phase 2 of the Sangre de Cristo Estates
as described above, which subjected the
above-described real estate to certain
covenants by recordation of the Declarations
described more fully above, including
easements, for the purpose of protecting the
value and standards of said real estate, the
terms of which shall run with the land and
be binding upon and inure to the benefit of
all parties having any right, title or interest
in or to the above described real estate, or
any part thereof, and their successors and
assigns; and

WHEREAS, the Sangre de Cristo
Estates Homeowners' Association, a New
Mexico non-profit corporation (hereinafter
referred to as the "Association") was

meeting on July 7, 2001, with Declarant present and voting as an Owner, duly approved and adopted the following covenants, conditions and restrictions.

NOW, THEREFORE, the Association hereby declares that the Subdivision shall be subject to the following covenants, conditions and restrictions.

ARTICLE I -- Definitions Section

1. "ARC" or the "Committee" shall mean and refer to the Architectural Review Committee established pursuant to Section 10 of Article II hereof.

Section 2. "Architectural Guidelines" shall mean and refer to the standards, restrictions, regulations and guidelines to be used by the ARC in reviewing architectural plans for improvement within the Subdivisions as set forth herein.

Section 3. "Association" shall mean and refer to the Sangre de Cristo Estates Homeowners' Association.

Section 4. "Common Area" shall mean and refer to all common or "open space" and park areas designated by Declarant on the Plat.

Section 5. "Declarant" shall mean and refer to Charles P. Bryant and his successors and assigns if any such successor or assign acquires more than two (2) undeveloped Lots from the Declarant for the purpose of development.

Section 6. "Declaration" shall mean and refer to this instrument and all amendments hereto collectively.

Section 7. "Easements" shall mean and refer to all real property designated on

the Plat as roadways and streets including any medians therein, and utility easements.

Section 8. "Lot" shall mean and refer to (i) each of the Lots numbered 1 through 15 as shown on the Plat of Phase 1 and (ii) and each of the Lots numbered 16-41 as shown on the Plat of Phase 2 of the Sangre de Cristo Estates.

Section 9. "Owner" shall mean and refer to any contract purchaser or record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Subdivision but excluding those having such interest merely as security for the performance of an obligation.

Section 10. "Plat" shall mean and refer to that certain plat of survey for the subdivision filed for record on October 8, 1990 with the County Clerk of Santa Fe County, New Mexico at Plat Book 215, page 030 of the records of said County. A copy of the Plat is attached hereto as Exhibit B and is incorporated herein by this reference.

Section 11. "Structure" means any residence, dwelling, garage, outbuilding or wall.

Section 12. "Subdivision shall mean and refer to the real estate commonly known as the Sangre de Cristo Estates described in Exhibits A and B attached hereto, and shall consist of each of the Lots numbered 1 through 15 as shown on the Plat of Phase 1, and each of the Lots numbered 16 through 41 as shown on the Plat of Phase 2 of the Sangre de Cristo Estates.

ARTICLE TI - Structures

Section 1. Single-Family Dwelling. No structure shall be erected, altered, placed or permitted to remain on any Lot subject to this Declaration other than one single-family dwelling for private use, a private garage, a guest house, recreational facilities, solar heating devices, evaporative cooler or coolers, and improvements incidental to residential use of the Lot.

Section 2. No Subdivision. No subdivision of any Lot shall be permitted.

Section 3. Prohibited Structures. No modular homes, prefabricated structures or mobile homes may be placed on or kept at any building site. No temporary house, dwelling, garage, outbuilding, trailer or other structure shall be placed or erected upon the Subdivision except as permitted by this Declaration. A construction trailer may be permitted by the ARC.

Section 4. Height Limitations and Structure Placement. All structures within the Subdivision shall be in keeping with the best traditions of Santa Fe architecture and should be designed and placed so as to blend with, rather than be imposed upon, the landscape. No structure shall exceed fourteen (14) feet in height above a ridge top. Otherwise no structure shall exceed Santa Fe County height restrictions. For the purposes of this section, height shall be measured from the highest natural, undisturbed ground level of the main residential building measured at the stem wall perimeter to the top of the parapets or main house structure, exclusive of chimneys and permitted television antennae. Notwithstanding any provision contained herein to the contrary, the ARC may, in its sole discretion, (i) limit the height of a building to as low as fourteen (14) feet if the ARC determines that higher structure would detrimentally affect other Lots within the Subdivision and (ii) require that structures located along or near a ridgetop be "stepped" in design in order to keep in harmony with the surrounding topography.

Section 5. Solar Homes. Solar homes are encouraged.

Section 6. Construction and Design of Structures. Any and all dwellings, structures, garages, outbuildings or walls (hereinafter collectively called "Structures") shall be constructed on the Subdivision in accordance with the following criteria:

(a) All Structures shall be Southwest, pueblo, territorial, or "Santa Fe" in style and stuccoed in earth-tone colors so

as to be in harmony with the general surroundings. All stllcco colors, and exterior paint colors must be approved by the ARC.

(b) Roofing materials for any sloped roof shall be non-reflective and of a color and material approved by the ARC. No asphalt shingle or exterior wooden roofs shall be permitted. Roofs that will be seen from any Lot above should be designed in a clean and sensitive manner. The ARC may establish guidelines pursuant to Section 12 of this Article to assist the Owners in their planning.

(c) The location or arrangement of any sewage disposal system shall not endanger any person's health or safety or any public utility or any Owner's facilities or improvements. Any septic system must satisfy all government environmental requirements. Leach pits rather than field lines may be required to save trees or limit excavation damage.

(d) The exterior construction, including the final stucco color coat, paint, trim and landscaping shall be fully completed within one (1) year .after commencement of construction unless approval of the ARC has been obtained for an extension of time.

(e) No residence placed or erected on the Subdivision shall be occupied in any manner while in the course of construction or at any time prior to the time when the exterior is fully finished as herein required, and is fully functional for residential purposes.

(f) All masonry block structures (including walls) and frame structures shall be constructed so as to conceal moisture "bleed-through" of masonry joint lines and sheathing joints; other similar methods of construction affording similar protection may be approved by the ARC.

Section 7. Reflective Materials. No reflective material (exclusive of glass and vertical or sloped windows)

Section 8. Exterior Design Details. In order to avoid angles that break from vertical and thus show a delineated shadow line where the parapet meets the roof line on exterior wall elevations, all exterior walls that slope inwards above the roof line shall do so gently without obvious lines. Windows (except "bay" windows) shall be recessed into the wall from the exterior face except where Territorial detailing is involved. Notwithstanding the foregoing, the final determination of acceptable design details shall rest solely with the ARC.

Section 9. Intent of Declarant. The purpose of the architectural review procedure and guidelines hereinafter set forth is to ensure high quality development and use of the Subdivision, to enhance and protect its value, both aesthetic an economic, to ensure architectural compatibility among structures and a harmonious relationship between structures and the environment, all for the benefit of the Owners and Declarant.

Section 10. Architectural Review Committee: An "Architectural Review Committee" for the Subdivision is hereby established and shall consist of three (3) persons, one (1) of whom shall be Charles P. Bryant and the other two (2) shall be chosen by the Board of Directors of the Homeowners' Association. Charles P. Bryant shall be a member of the ARC so long as he wishes and owns one (1) Lot in the Subdivision.

The others appointed to the ARC shall be members of the Association and appointed by and serve at the pleasure of the Board of Directors.

The affirmative vote of a majority of the members of the Committee shall be required for approval of any matter. Within seven (7) days of the approval of any matter a memorandum shall be prepared by the ARC and delivered to the Secretary of the Association for distribution to the Board of Directors, which summarizes the decision of the ARC and, if necessary, sets forth any minority view. The decisions of the ARC shall be reported to the Association with the

Minutes of the meetings of the Board of Directors.;

Section 11. Design Approval. Prior to the commencement of construction of any Structure, or any construction activity, road building, excavation, site preparation, tree cutting, major landscaping, etc. on any Lot, the Owner thereof (the "Owner-Applicant") must obtain approval by the affirmative vote of the ARC for a portion of the construction plans as follows:

(a) Presentation to the ARC of preliminary or tentative plans, site plans, elevations, floor plans and basic specifications clearly identifying the scope and extent of the work contemplated is strongly suggested to minimize confusion, expense and delays in the review process. Such information should include sufficient information regarding materials, colors, etc. to enable the ARC to discuss preliminarily with an Owner whether the contemplated Structures will be in harmony with the terms and conditions of this Declaration.

(b) The Owner-Applicant must hand deliver to the ARC c/o the Secretary of the Association or any successor set forth in subparagraph (d):

(i) three (3) sets of complete plans to scale for any wall or exterior of such structure including the exterior detail;

(ii) exterior elevation drawings for all sides of the structure or wall;

(iii) the number of interior square feet;

(iv) the location of such wall or structure on the Lot;

(v) the exterior color scheme and description of

materials to be used, including roof treatment;

(vi) location of and plans for driveway;

(vii) the location of the septic system; and

(viii) the street and mailing address of such Owner.

(c) The Owner-Applicant, prior to submitting the terms required by subparagraph (b) of this Section, shall stake the locations of all structures, walls, the driveway and septic system, including elevation stakes at the two (2) highest points of any proposed Structure.

(d) The Secretary of the Association shall deliver the items and notices received from the Owner-Applicant to each member of the ARC. The ARC shall have twenty (20) days after receipt of all items set forth in subparagraph (b) of this Section within which to review the same and render its decision.

(e) No change in approved plans for elevations of structures, location of structures, driveways or septic system, exterior color scheme or roof treatment shall be permitted unless such change has been approved pursuant to the terms of this Section.

(f) In reviewing the plans and specifications, the ARC shall consider, among other things, the structural mass and height, architectural details and treatment including colors and finishes; conformity and harmony of the design of structures and landscaping compared to neighboring structures, topography and finished ground elevations; visual and aesthetic impact; adequacy of parking and drainage plans; and conformity with the intent and purpose of this Declaration.

(g) Notwithstanding the foregoing, the ARC may approve,

conditionally approve or disapprove the plans and specifications provided hereunder. The decision of the ARC shall be final and binding on the Owner-Applicant.

(h) Neither the ARC or its members, Declarant, the Board of Directors of the Association nor their agents or employees shall be liable for any damage, loss or prejudice suffered or claimed by any owner or other person or entity on account of (i) the approval, conditional approval or disapproval of any plans or specifications, whether or not defective, (ii) the construction or performance of any work upon any Lot whether or not pursuant to approved plans and specifications or (iii) the development of any Lot, provided, however, that such parties have acted in good faith on the basis of such information as may be possessed by them.

(i) Any title insurance company issuing title insurance on any Lot may rely conclusively on a statement executed by the ARC that any given improvement or usage of a Lot has been duly approved by the ARC.

Section 12. Architectural Guidelines. ARC may prepare Architectural Guidelines, in addition to those set forth herein, to assist Owners and their agents in preparing plans and specifications to be submitted to the ARC in accordance herewith. The Architectural Guidelines may be amended from time to time by ARC subject to the affirmative vote of a majority of the Board of Directors of the Association. Notwithstanding any other provision contained in this Section, the Architectural Guidelines are intended only to supplement and clarify the Declaration. In the event of a conflict between the Architectural Guidelines and the terms of the Declaration, the Declaration shall control.

ARTICLE III - Common Scheme Restrictions and Requirements

Section 1. Trees and Landscaping. The native growth of the property, including but not limited to cacti, pinon, and juniper trees, shall not be destroyed or removed,

except such native growth as it may be necessary to remove for the construction and maintenance of roads, driveways, dwellings, and other approved structures without the prior written approval of the ARC. Each Owner shall be responsible for keeping his landscaping and trees in a healthy condition and not permitting the same to become infested with insects. Native growth on north-south ridges within the Subdivision shall not be disturbed without approval of the ARC.

Section 2. Driveways.

(a) No private driveway shall be constructed in excess of fourteen (14) feet in width, except for approved turnouts for passing.

(b) All driveways shall be surfaced and maintained so as to reduce erosion and eliminate unsightly conditions.

(c) All driveways shall be graded and sloped for proper drainage;

(d) All driveways shall have culverts large enough for proper drainage. A properly sized culvert shall be installed where the driveway crosses the roadside ditch adjacent to the Easements.

(e) To encourage the privacy of Owners and enhance and protect the value, desirability and attractiveness of Sangre de Cristo Estates, Architectural Guidelines may be adopted which encourage an entrance scheme for driveways, such as an entrance wall, pillar and/or gate.

Section 3. Utilities.

(a) All electrical service, gas lines, water lines, cable television, telephone lines or other utilities shall be placed underground and installed in or adjacent to the driveway.

(b) Additional utility easements as shown and stated on the Plat of the properties are imposed on the Lots.

Section 4. Set-backs. Any single family dwelling erected upon any Lot and every part thereof, shall not be located within twenty-five (25) feet of any property line of the Lot, provided, however, that Lots adjacent to U.S. Highway 84-285 shall have a 250 foot set-back from such highway.

Section 5. Fences and Walls.

(a) No free standing fences or walls may be closer than fifteen (15) feet to any Lot line abutting the Easement or to the boundary of any easement. Fences and walls in excess of thirty inches in height must be attached to the residence and cannot enclose more than a total of 6,000 square feet. Notwithstanding the foregoing, the ARC may, in its sole discretion, grant a variance for unobtrusive or hidden wire or metal mesh fencing for gardens or pet enclosures. Fences or walls for "screening" purposes may exceed thirty (30) inches in height and need not be attached to the residence if approved by the ARC. No perimeter Lot fencing shall be permitted.

(b) Fencing materials may be "coyote" style constructed of aspen, fir or cedar posts or walls of either (i) adobe {plastered or unplastered} or (ii) plastered masonry walls. Board, slat or bark-faced fences are strictly prohibited, unless approved by the ARC and must then be properly maintained by the Owner.

(c) It is the intent of Declarant that the lands not immediately surrounding Structures and garden areas be open and unfenced.

Section 6. Trash and Noise.

(a) No Lot shall be used for the storage of any property or thing that will cause such Lot to appear in an unclean or untidy condition, or that will be visually offensive or obnoxious, toxic, dangerous, or unhealthy, and no substance, thing or material may be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise that will disturb the peace, quiet, comfort, or serenity of any occupants or owners of Lots in the Subdivision. Upon completion of ten (10) houses within the Subdivision, the Association shall contract with a refuse collection company for trash collection within the Subdivision. Each Lot Owner shall be billed individually.

(b) Before and after construction, the storage of construction material, supplies and equipment shall be reasonably screened from view of other Lot Owners in this Subdivision, recognizing that complete screening may not be possible.

(c) All clothes lines, clothes drying facilities, mechanical and other equipment, wood piles (except fire logs less than two (2) cord in size), storage piles, campers and horse trailers, on any Lot shall be walled in and/or screened at all times so that they may not be seen from any other Lot, the Easements or Common Area.

(d) No devices emitting undesirable noise levels shall be permitted on the Subdivision, exclusive of necessary noise created by construction.

(e) During or after construction of improvements to any Lot, no concrete or plaster slurry shall be left on any Lot within the Easements or Common Area.

(t) Throughout any construction activities on any Lot, the construction site shall be maintained in a reasonably clean condition, and all

construction waste items and products shall be contained and promptly removed. For managing these issues, each site under construction will have adequate trash containment and a potty on site. The ARC will provide evaluation and oversight.

Section 7. Vehicles.

(a) Trailers, boats and similar mobile structures and vehicles shall be completely screened from view of other Lots and the Easements by means of a coyote fence, wall, or similar treatment;

(b) No sheds shall be permitted without prior written approval of the ARC. Any shed shall be screened from view from other Lots and the Easements in a manner approved in writing by the Committee before the shed is constructed.

(c) No vehicles of any type shall be permanently or semi-permanently parked in any portion of the Subdivision visible from other Lots or the Easements for purposes of repairs or reconstruction or storage.

Section 8. Storage Tanks. Any tanks for use in connection with any residence, including tanks for the storage of liquified petroleum gas and fuel oil, gasoline or oil, must be buried or concealed by walls or fences from view from other Lots, the Easements and Common Area Visible temporary tanks during construction may be permitted by the ARC.

Section 9. Towers

(a) No derrick or other structure designed for use in boring for oil or natural gas, and no radio or television transmission towers shall be erected, placed or permitted; and the production or extraction of oil, natural gas, petroleum, asphalt or hydrocarbon products or substances shall not be permitted. No exterior antenna of any sort, including satellite dishes, shall be installed or maintained on any Lot, except those devices which are erected, installed, placed or maintained and used entirely under the eaves

or enclosed within a building or Structure or screened from view from other Lots and Easements or which are otherwise specifically authorized by the Declaration or Subdivision Rules. Notwithstanding the foregoing, T.V. antenna (but not satellite dishes) may extend two (2) feet above the parapet. This provision shall remain enforceable even if enforcement action is not commenced within the time limitations otherwise provided by the Declaration.

(b) No wind-driven machinery shall be permitted within the Subdivision.

Section 10. Animals. Except as provided herein, no animals of any kind may be kept on any Lot, whether for personal or commercial purposes. Each Lot may have dogs and/or cats more than eight (8) weeks old (exclusive of litters of such pets) which must be confined on the property. No animals may be kept or maintained on any Lot in any manner or number which is a nuisance or offensive to the neighboring lots, whether by reason of noise, habits, odors, or otherwise, anything to the contrary hereinabove notwithstanding. The Board of Directors of the Association shall have the right to order the removal of any animals which are kept in violation of this Declaration. Enclosures for animals shall be constructed in accordance with this Declaration. Small household pets which remain inside the residence on a Lot, such as caged birds, aquarium fish or guinea pigs, shall be allowed at the Lot Owner's discretion so long as the "nuisance" portions of this provision are not violated. Animals not specifically mentioned herein may be allowed on a Lot upon approval by a majority of the board of directors of the Association provided the nuisance provisions hereof are not violated.

Section 11. Home Occupations. No business or commercial activity of any nature shall be conducted upon or from any Lot, except that so-called home occupations shall be permitted if such activity does not disturb Owners of other Lots or increase traffic upon the Easements to undesirable levels.

Section 12. Billboards and Signs. No billboards or advertising signs will be permitted on any Lot or any building except for the name plate of the occupant of any residence upon which his professional title may also be added, but no sign or name plate shall exceed one square foot in size. All signs must be of a uniform shape as designated by Association; provided, however, one sign board not more than six square feet in area may be erected on a Lot during the construction of a new single-family dwelling and after its completion pending the sale thereof. Thereafter, one sign shall be allowed for the subsequent resale of any house except as may be provided in the Subdivision Rules.

Section 13. Exterior Lights. All exterior lights must be located so as not to be directed toward other Lots, properties or roads. Bright, glaring lights on roof tops and patio walks or elsewhere are prohibited.

Section 14. Water Conservation. All Lot Owners are urged to practice indoor and outdoor water conservation measures. Outside watering shall be done by means of cisterns. Additional water conservation guidelines are attached hereto as Exhibit C and are incorporated herein by this reference.

Section 15. Drainage. Surface drainage courses within Lots are to remain in their natural state, except for diversion approved by the ARC.

Section 16. Hunting and Firearms. No hunting shall be permitted within the Subdivision, and no discharge of firearms shall be permitted within the Subdivision, except in self-defense.

Section 17. Mailboxes and Street Address Signs. Declarant has designated location within the Easements for the location of mailboxes to be used by all Owners, address sign boards and newspaper delivery receptacles. The Owners shall not construct other mailboxes on the Subdivision, and shall designate their Lot by number only according to the Architectural Guidelines.

Section 18. Private Easements. Responsible operation of mini-bikes, motorcycles, off-road vehicles or unlicensed vehicles may be driven or permitted on the Easements by approval of the Board of Directors. No motor-driven vehicle shall be driven or permitted in the Subdivision except on the Easements or the driveways within the Subdivision.

Section 19. Surface Water. Surface water shall not be impounded by any Owner in any way which might adversely affect other Owners of the Subdivision.

Section 20. Discharge of Explosives. No explosive material may be discharged on any lot except for bona fide construction purposes and then only after all inhabitants of the Subdivision have been duly notified in advance of the proposed discharge of an explosive material and only in a manner that shall reduce to a minimum the noise, vibration and other impact of the proposed discharge.

Section 21. Solar and Mechanical Devices. No mechanical or other device, including solar panels, shall be installed or maintained on the roof or exterior surface of any structure within the Subdivision if such device is visible from the ground level of any other Lot or the Easements, unless the device is screened, enclosed or otherwise approved by the ARC. Common chases are encouraged.

Section 22. Easements: Uses and Restrictions. The Easements are established upon various Lots within the Subdivision for the benefit of the Owners pursuant to this Declaration (i) for vehicular and pedestrian access to the Lots, (ii) for maintaining, installing and repairing signs identifying the Subdivision and roads therein; (iii) to enhance the value and desirability of the Subdivision and Lots; and (iv) for the installation of underground utilities. Use of the Easements may be subject to Subdivision Rules established from time to time by the Association.

No Owner shall improve, landscape, repair or decorate any portion of the

Easements except where the driveway to structures on such Owner's Lot abuts the Easements.

The Association shall have the right to control access to the Easements but shall not impair any Owner's right of access to his Lot.

All or a portion of the Easements may be dedicated to the City of Santa Fe, County of Santa Fe, or other governmental body if approved by a two-thirds (2/3rds) vote or written consent of the voting power of the Association and evidenced by a written consent to dedication, execution and acknowledged by the Board of the Association and delivered to the governmental subdivision.

Section 23. Decorative Easement. Declarant and the Association shall have an easement within the building setback lines on the corner of each lot which is located at an intersection of streets within the Subdivision to install decorative entrance treatments and street signs if desired.

Section 24. Owners Right of Enjoyment. Each Owner shall have a right to use and enjoy the Common Area which right shall be appurtenant to and shall be conveyed with title to each Lot regardless of whether or not such right of enjoyment is specifically described in such conveyance. This right shall be subject, however, to the following conditions:

(a) The right of the Association to impose or charge reasonable admission and/or other fees for the use of any recreational facility situated on the Common Area;

(b) The right of the Association to suspend an Owner's right to use the Common Areas due to the non-payment by such Owner of any Association assessment when the same is due and payable; such suspension shall automatically be imposed by the Association upon suspension of such Owner's voting rights pursuant to Section 10 of Article V hereof.

(c) The right of the Association to grant, dedicate or transfer for any part of the Common Area to any public utility pursuant to the approval of the members having at least two-thirds (2/3) of the total voting power of the Association.

(d) Subject to easements granted by the Association for utility installation and maintenance and emergency vehicle access pursuant to the approval by members having at least two-thirds (2/3) of the total voting power of the Association.

(e) The right of use of owners of additional real estate, if any, annexed to the Subdivision in accordance herewith.

(f) The rules, regulations and bylaws of the Association and this Declaration.

(g) The terms of any instruments encumbering the Common Area as security for Association borrowings to improve and maintain the Common Area.

Section 25. (Intentionally Omitted).

Section 26. Annexation. No additional real estate will be annexed to the Subdivision. The Owners of the Subdivision as originally constituted shall have the rights of use and enjoyment set forth herein to the Common Area.

Section 27. Permissive Use. Any Owner may permit any family member, tenant of the Lot, contract purchaser or guest to use the Common Area.

Section 28. Declarant's Reservation of Easements. As long as Declarant is an Owner. Declarant reserves an easement and right-of-way in, through, over, under and across all portions of the Subdivision for the purpose of completing its development and improvement work in the Subdivision, and, towards this end, Declarant reserves the right to grant easements and rights-of-way in, through, under, over, on and across the Subdivision, for the installation, maintenance and inspection of lines and appurtenances for public or private water,

sewer, drainage, cable television, gas or other utilities and for any other materials or services necessary for the completion of said development and improvement work. Declarant shall have the right to connect with and make use of the utility wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads, located within the Subdivision. As long as Declarant is an Owner, Declarant reserves the right to continue to use the Subdivision and any sales offices, model homes, signs and parking spaces located on the Subdivision in its effort to develop and market portions of the Subdivision. As long as Declarant is an Owner, this section may not be amended without the prior written consent of Declarant. Any of the easements and rights reserved by Declarant in this section may be assigned to other builders and may be exercised by Declarant's agents, employees and representatives.

Section 29. Easement to Inspect. The Association and its duly authorized agents are granted the right to enter Lots and structures to ascertain the extent of compliance with this Declaration and to correct defaults if necessary. Prior notice of said inspection shall be given to the occupant, except in cases of emergency.

Section 30. Easement for Government Personnel. There is hereby established a right of entry for public officials, police, fire, rescue and other personnel to come upon the Subdivision to carry out and enforce their official duties.

Section 31. Declarant's Right to Dedicate. Nothing contained in this Declaration shall be deemed to restrict or otherwise impede Declarant, at any time and from time to time, from dedicating portions of the Subdivision to any public or private agencies, authorities, utilities, prior to sale of such portion to an Owner, provided, however, that such dedication is not inconsistent with the provisions of the Declaration and/or detrimental to the use and enjoyment of the Owners.

Section 32. Owner's Responsibility to Repair. Each Owner shall be responsible for the maintenance and repair of his Lot and all structures thereon and shall keep everything in good repair at all times including, but not limited to, prompt rebuilding of structures in the event of partial or complete destruction.

Section 33. Water System. Only water wells drilled by Declarant will be allowed within the Subdivision.

Outside watering shall be done by means of cisterns subject to a resolution of the Aamodt litigation that would allow outside watering, or use of permitted water or water rights not subject to outside restrictions. These covenants restrict each lot to 0.50 acre feet per annum as a maximum water usage. As a conservation measure, the Board of Directors may restrict any lot to 0.25 acre feet per annum as a maximum water usage, which equals an average of 220 gallons per day.

Declarant initially intends to construct cluster well systems to provide water service to Lots, including a well, a water storage tank, distribution line, electrical controls and a master meter. Water will be made available to each Lot line and owners shall separately meter at that point.

Expense of maintenance and operation of well systems to include an amount for a reserve and overhead, shall be borne by the users of that system and such expense shall be proportionate to water usage. Owners shall be bound by water well agreements for their respective Lots.

Water system extension may be available in the future.

Section 34. Certain Rentals Prohibited. No Owner shall rent any guest house permitted hereunder separately from the principal residence. In the event the principal residence is rented, a guest house on the Lot may be simultaneously rented to the same person. Likewise, no Owner may rent a principal residence to a third party

while such Owner concurrently resides in the guest house.

ARTICLE IV - The Association

Section 1. The Association. The Sangre de Cristo Estates Homeowners' Association has been duly incorporated and organized pursuant to New Mexico law pursuant to the Articles of Incorporation and Bylaws attached hereto as Exhibits D and E, respectively, and incorporated herein by this reference (hereinafter collectively referred to as the "Articles and Bylaws"). The membership of the Association, powers and duties of members, and powers and duties of the Association are specified in the Articles and Bylaws and are supplemented herein. The Association has the duties, among others, to maintain the Easements and the Common Area, and to contract for solid waste disposal.

In the event that the Association, as a corporate entity, 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 rights and obligations of the Association hereunder until a qualified nonprofit 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 the Declaration, the Articles of Incorporation and the Bylaws, respectively, as if they were created for the purpose of governing the affairs of an unincorporated association.

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

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 and the Articles and Bylaws for the Association.

The Board shall, from time to time, make, establish, promulgate, amend, and repeal the Subdivision Rules. 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. 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 this Declaration and the Subdivision Rules.

Section 2. Classes of Membership. The Association shall have two (2) classes of membership, Class I and Class II.

Class I. All members shall be Class I members, except the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person or entity is an Owner to any Lot, the vote for such Lot shall be exercised as such Owners determine, and in no event shall such multiple Owners vote more than they are entitled by the Lots owned.

Class II. The Declarant shall be the only Class II member and shall be entitled to four (4) votes for each Lot owned by Declarant in the Subdivision. The Class II membership of Declarant shall be converted to Class I membership and Declarant's Class II membership shall forever terminate when Declarant has sold 80% of the Lots in the Subdivision.

Section 3. 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. Voting Rules. When any provision of the Declaration or Bylaws calls for the vote or the consent of the members in any stated percentage, the following rules apply, unless the specific language of the provision provides to the contrary:

(a) whenever a vote of the members is required, it is sufficient to obtain the written consent of members having the same percentage of votes; and

(b) the percentage requirement shall be a percentage of the total voting power of the Association or of the total voting power of the required class or group and not a percentage of the number of members of the Association, class or group.

Any provision of this Declaration requiring a vote by the members shall be satisfied if the required percentage or number of members give their written consent in any election held pursuant to the requirements of this Declaration, ballots may be transmitted to Owners in the manner provided for the giving of notice.

ARTICLE V - Assessments

Section 1. Mutual Covenants to Pay Assessments. Declarant, as owner of the Subdivision, covenants and each Owner by acceptance of a deed to a Lot, covenants and agrees with each other Owner and with the Association, to pay all assessments levied by the Board, as required in this Declaration, whether or not such covenant is contained in such deed.

Section 2. Creation of Common Expense Fund. The Board shall establish a

"Common Expense Fund" to enable the Association and the Board to exercise the powers and perform the rights, obligations and duties stated herein. Such fund shall be funded by assessments as hereinafter provided, to be paid by all Owners, including Declarant; provided, however, until the Association makes an assessment for the Common Expenses, Declarant shall pay all Common Expenses. Such fund shall be administered on a fiscal year basis. The first assessment shall be determined by the Board with this Declaration and the Bylaws of the Association and shall be prorated over the Association's fiscal year commencing with the date set by the Board for the first assessment.

Section 3. Annual Budget. Each year, after the first year, and at least seventy-five (75) days prior to the end of the Association's current fiscal year, the Board shall prepare and adopt a proposed estimate of the total amount it deems necessary for the Association's next fiscal year (hereinafter referred to as "Annual Budget") to pay the Common Expenses to be incurred to maintain and repair the roads within the Easements, Common Area, decorative easements granted above, Subdivision and road signage, and other proper expenses of the Association. Within thirty (30) days after such adoption of the Annual Budget, the Board shall furnish each Owner an itemized copy thereof, together with notification of the date, time and place of the Association's annual meeting, at which meeting the Owners will consider ratification of the Annual Budget. The annual meeting of the Association shall be set within the period set forth in the Declaration and shall be not less than fourteen (14) nor more than thirty (30) days after mailing of the Annual Budget to the Owners described hereinabove. The Annual Budget shall be deemed ratified unless Owners having seventy-five percent (75%) of the voting power of the Association reject the Annual Budget at the annual meeting, regardless of whether or not a quorum is present at the annual meeting.

The Annual Budget shall be based upon the cash requirements deemed to be

such aggregate sum as the managing agent or Board shall from time to time determine is to be paid by all of the Owners, including Declarant, to provide for the payment of all estimated Common Expenses which sum may include, among other things, expenses of management, premiums for all insurance in the amounts and types required hereunder, landscaping and care of grounds, common lighting; legal and accounting fees; management fees, expenses and liabilities incurred by the managing agent or Board under or by reason of this Declaration, for any deficit remaining from a previous period; the creation of a reasonable contingency or other reserve or surplus fund as well as other costs and expenses relating to the Association's affairs and duties.

Section 4. Assessments. Effective the first day of each such fiscal year after the first assessment made by the Association, each Owner, including Declarant if it is then an Owner, shall be assessed a sum equal to his percentage of Lot ownership of the total Subdivision Lots multiplied by the total Annual Budget, which sum shall be paid by the Owner in quarterly installments on the first day of each of the quarters of each fiscal year, continuing until a new assessment is made by the Board. The managing agent or Board shall prepare and deliver or mail to each Owner an itemized quarterly statement showing the various estimated or actual expenses for which the assessments are made and which vary from the itemized Annual Budget ratified by the Owners.

Contributions for quarterly assessments shall be prorated if the ownership of a Lot commences on a day other than the first day of a quarter. The omission or failure of the managing agent or the Board to fix the assessment for any quarter shall not be deemed a waiver, modification or a release of the Owners from their obligations to pay the assessment for that period.

If the amount of the Annual Budget proves inadequate for any reason, including, without limitation, non-payment of any Owner's assessment, the Board may at any

time levy a further assessment by increasing the Annual Budget and each Owners shall be assessed a sum equal to his percentage of ownership of Subdivision Lots multiplied by such increase; provided, however, extraordinary expenses omitted from the Annual Budget which may become due during the fiscal year, shall first be paid from the replacement and contingency reserve, and provided further, if inadequate funds exist during a fiscal year, the Association may borrow sufficient funds from Declarant or otherwise, but Declarant shall not be obligated to loan any funds to the Association. The Board shall give written notice of any such increase, and the reasons therefor, to each Owner and shall state the date and terms of payment of such increase.

All such assessments collected shall be paid and expended for the purposes authorized herein, and (except for such special assessments as may be levied against less than all the Owners and for such adjustments as may be required to reflect delinquent or unpaid assessments), shall be deemed to be held for the benefit, use and account of all Owners in the same percentages as their percentage ownership of the total Subdivision Lots. Notwithstanding any other provision contained herein, no Owner shall have the right to demand that more than his pro rata share of the assessments collected be used to benefit his Lot.

Section 5. Special Expenses: In the event any of the Easements, decorative assessments or signage are damaged in any way through the intentional or negligent act or omission of any Owner or his agents, employees, or invitees, the expense incurred by the Association for the repair of such damage shall be deemed a Special Expense. Such Special Expenses shall be levied by the Board and assessed only to the Owner whose act or omission resulted in the aforementioned damage, and shall be paid by the Owner together with his next quarterly assessment due the Association.

Special Expenses shall include amounts assessed to any Owner for septic

tank inspections or road damage which may be established pursuant to Subdivision Rules.

The Board, upon receiving evidence of a Lot Owner's trees being insect infested shall give notice to such Owner to spray his trees and trees on any adjoining Lot which have become infested due to such Owner's lack of care. In the event the Owner has not done so within ten (10) days after the date of such written notice, the Board may order the spraying of the infested trees with the cost thereof being assessed to the Owner as a Special Expense.

Section 6. Annual Accounting. Together with the notice of the annual meeting of members, the Board shall furnish to all Owners, for the preceding fiscal year, an itemized accounting of all the Common Expenses actually incurred, paid or accrued, together with a statement of the total assessments collected, showing the net operating loss or gain. Any such gain, in excess of the amount required for incurred or accrued expenses and replacement and contingency reserves, shall be apportioned according to each Owner's percentage of ownership in the total Subdivision Lots as a credit against the next quarterly assessment(s), until exhausted; any such loss shall be apportioned according to each Lot Owner's percentage of ownership in the total Subdivision Lots, and added one-half (1/2) to each of the next two quarterly assessments.

Section 7. Books of Account. The Board shall maintain current, detailed books of account in accordance with generally accepted accounting principles and procedures, which reflect all receipts, disbursements, assets and liabilities of the Association. Such books, records, purchase orders and payment vouchers shall be available for inspection by any Owner, or any duly authorized representative of any Owner, at reasonable times during normal weekday business hours. Any Owner's Mortgagee(s) shall be deemed an authorized representative of Owner. Upon ten (10) business days' notice to the Board and payment of a reasonable fee established by

the Board, any Owner or his Mortgagee(s) may demand and be furnished a statement of his account reflecting the amount of any unpaid assessments or other charges due and owing from such Owner.

Section 8. Lien for Non-Payment of Common and/or Special Expenses. All sums assessed and fines imposed by the Association, but unpaid, for the share of Common Expenses, including, without limitation, any assessment for Special Expenses and violations of this Declaration, the Bylaws or Regulations of the Association or Subdivision, chargeable to any Lot or its Owner shall constitute a lien on such Lot.

If any assessment shall remain unpaid for thirty (30) days after the due date thereof, the Board or managing agent shall assess interest thereon at a rate equal to eighteen percent (18%) per annum, commencing on the date such assessment was due, together with reasonable costs and any attorney's fees incurred in connection with the collection thereof.

In any foreclosure of such lien, the Owner shall be required to pay the costs and expenses of such proceeding, all reasonable costs of collection and all reasonable attorney's fees. The Owner shall also be required to pay to the Association any assessment due for the Lot during the period of foreclosure. The managing agent or Board shall have the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

Any encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, any unpaid Common and/or Special Expenses due with respect to such Lot, and upon such payment such encumbrancer shall have a lien on such Lot of the same rank as the lien of his encumbrance for the amounts paid.

The Association shall give notice to the Lot Owner and the Mortgagee(s) of a Lot of any unpaid assessments remaining unpaid for longer than thirty (30) days after the same are due.

Section 9. Personal Debt of Owner. The amount of the Common and/or Special Expenses assessed against each Lot shall be the personal and individual debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common and/or Special Expenses shall be maintainable without foreclosing or waiving the lien securing same. Notwithstanding anything to the contrary contained herein, the Association shall seek any sums due for unpaid Common and/or Special Expenses from a Person in possession of a Lot pursuant to real estate installment sale contract for a period of forty-five (45) days following notice to such Person of unpaid Common and/or Special Expenses before seeking such sums from the legal Owner of such Lot.

Section 10. Suspension of Voting Rights. In the event any assessment remains unpaid by an Owner for sixty (60) days after its due date, the Board may elect to suspend the voting rights of such member until his assessments are paid current.

Section 11. Disclosure of Unpaid Assessments. Upon payment of a reasonable fee established by the Board, and upon the Board's receipt of a written request from any Owner or any Mortgagee or prospective Mortgagee of a Lot, the Association, by its managing agent or Board, shall issue an acknowledged, recordable written statement setting forth the amount of the unpaid Common and/or Special Expenses, if any, with respect to the subject Lot, the amount of the current quarterly assessment and the date that such assessment becomes due, and credits for advanced payments or for prepaid items, including, but not limited to, insurance premiums, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) business days of its actual receipt by the Association, all unpaid Common and/or Special Expenses which become due prior to the date of making such request shall be subordinate to the lien of the person requesting such statement. The Owner of

any Lot Ownership, by acceptance of a deed thereto, waives any objection to the disclosure of the aforementioned information by the Association and releases the Association, the Board, and its agents from any liability therefor.

Section 12. Joint Liability for Common and/or Special Expenses Upon Transfer of Lot. The grantee of a Lot shall be jointly and severally liable with the prior owner for all unpaid assessments against the latter for his proportionate share of the Common and/or Special Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the Declarant the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee established by the Board, and upon written request, any such prospective grantee shall be entitled to a statement from the managing agent or Board setting forth the amount of the unpaid assessments, if any, with respect to the subject Lot, the amount of the current quarterly assessment, the date that such assessment becomes due, and credits for advanced payments or for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association. If such statement is not tendered by the Association within ten (10) business days of its actual receipt of such request, then such requesting grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for any unpaid assessments against the subject Lot unless such lien has been recorded with the Santa Fe County Clerk prior to the date the request is received by the Association.

Section 13. No Waiver of Common and/or Special Expenses. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Easements or his Lot, by abandonment of his Lot or by any other means whatsoever.

ARTICLE VI - General Provisions

Section 1. Enforcement. The Board, Declarant, and any Owner shall have the right to enforce, by any proceeding at law or

in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by a party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Notices. Any notices required or permitted to be delivered hereunder shall be deemed to be delivered when personally delivered to the respective addressee or upon deposit of the same in the United States mails, postage prepaid, certified or registered mail, return receipt requested, and addressed to the Owners at the respective addresses as shown in records maintained by Declarant. Any Owner may change his address by giving notice thereof to the Sangre de Cristo Estates Homeowner's Association, P.O. Box 31501, Santa Fe, New Mexico 87594-1501.

Section 3. Severability. Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years; provided, however, that Owners holding at least eighty percent (80%) of the voting power of the Association may (i) by executing and acknowledging an appropriate instrument not more than one (1) year and not less than ninety (90) days prior the expiration of said initial twenty (20) year period or prior to the expiration of any ten (10) year extension period thereafter, release the land subject hereto from all of the covenants and restrictions contained in this Declaration, or (ii) may, at any time, change, amend, modify or revise less than all of said covenants and restrictions. Every amendment must be recorded in the real estate records of Santa Fe County, New Mexico. Upon unanimous approval of the ARC, variances may be granted for any

provision, but only if in keeping with the spirit and philosophy contained herein. Declarant's desire to establish a community in which Owners and improvements will harmonize with surroundings and with one another, respect the uniqueness of this land and the uniqueness of one another, using honesty, integrity and quality as their guidelines in their endeavors.

Section 5. Annexation. The Subdivision shall consist of Lots numbered 1 through 15 as shown on the Plat of Phase 1 and Lots numbered 16 through 41 as shown on the Plat of Phase 2 of the Sangre de Cristo Estates.

No additional property may be incorporated into the Subdivision.

Section 6. Binding Effect. This Declaration shall be binding upon and shall inure to the benefit of Declarant, the Owners, and their respective heirs, successors and assigns and shall run with the land.

IN WITNESS WHEREOF, the undersigned officers of the Sangre de Cristo Estates Homeowners' Association, a New Mexico non-profit corporation, have executed this Declaration, as amended, this 7^h day of July, 2001.

By:

John Stinson, President

By:

Jack Lebowitz, Secretary

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
) ss:
COUNTY OF SANTA FE)

The foregoing instrument was duly acknowledged before me this ___ day of _____, 2001, by John Stinson, President and Jack Lebowitz, Secretary of Sangre de Cristo Homeowners' Association, a New

Mexico non-profit corporation, on behalf of
said non-profit corporation.

Notary Public

My Commission expires:

EXHIBIT C

WATER CONSERVATION GUIDELINES

The following guidelines are intended to assist property owners in the Sangre de Cristo Estates Subdivision in conserving water.

1. All showers should be equipped with shower heads designed to emit not more than three (3) gallons of water per minute. Variable flow heads should not emit more than three (3) gallons of water per minute at maximum setting.

2. All indoor faucets should be washerless and equipped with aerators or other flow restricting devices designed to emit not more than four (4) gallons of water per minute; provided, however, that faucets used for dishwashers, washing machines and bathtubs may be excluded.

3. All water closets should be designed to consume no more than 3.5 gallons of water per flush. This should be in accordance with the manufacturer's specifications.

4. Water systems should be designed to deliver an average pressure of 50 psi and a maximum pressure of 60 psi, as measured at the discharge side of the pressure reducing valve for each structure.

5. Irrigation areas should be no more than 1,000 square feet per lot, except for native vegetation requiring only initial irrigation. These irrigation areas must be irrigated with cisterns.

6. All hot water lines should be insulated against heat loss.

7. One automatic dishwasher per lot is acceptable, providing it is a model designed to use no more than thirteen (13) gallons per cycle and it has a cycle adjustment which allows reduced amounts of water to be used for reduced loads.

8. One automatic washing machine per lot is acceptable, providing it is a model which uses no more than 50 gallons of water per cycle and which has cycle of water level adjustment which permits reduced amounts of water to be used for reduced loads.

BYLAWS OF THE SANGRE DE CRISTO ESTATES HOMEOWNERS' ASSOCIATION
(with Amendments approved at the Annual Meeting on July 7, 2001)

by such person.

The affairs of the Sangre de Cristo Estates Homeowners' Association, a New Mexico non-profit corporation, (hereinafter referred to as the "Association"), shall be administered and regulated pursuant to the following Bylaws, to wit:

Article I

Object

1.1 Purpose: The purpose for which this non-profit corporation is formed is to govern the real estate subdivision situate in the County of Santa Fe, State of New Mexico, which is known as the "Sangre de Cristo Estates", and which property is protected pursuant to the provisions of the Declaration of Protective Covenants for the Sangre de Cristo Estates dated July 19, 1990, duly recorded in the records of the Clerk of Santa Fe County, New Mexico on July 25, 1990, in Book 688, pages 571-595 (the "Declaration"), as amended by that certain Amendment to Declaration of Protective Covenants for Sangre de Cristo Estates - Annexation of Phase 2, Lots numbered 16-41, dated September 19, 1990, duly recorded in the records of the Clerk of Santa Fe County, New Mexico on October 8, 1990 in Book 696, pages 688-689, and further amended by a Second Amendment, effective the 5th day of August 2000, duly recorded in the records of the Clerk of Santa Fe County, New Mexico, on ____, ____, ____, 2001, in Book ____, pages ____, ____, and further amended by a Third Amendment effective the 7th day of July, 2001, duly recorded in the records of the Clerk of Santa Fe County, New Mexico on ____, 2001 in Book ____, pages __ - __. These Bylaws are subject to the provisions of the Declaration and, in the event any bylaw adopted by the Association is or becomes inconsistent with the Declaration, the provisions of the Declaration shall control and such bylaw shall be void *ab initio*.

1.2 Owners Subject to Bylaws. All present or future Owners, present or future Occupants, or any other person or entity that might use in any manner any improvement on or any portion of the Subdivision are subject to the regulations set forth in these Bylaws. The mere acquisition, lease or rental by any person of any of the Lots of the Subdivision or the mere act of occupancy of any of said Lots will signify that these Bylaws are accepted, ratified and will be complied with

Article II

Definitions

2.01 Reference to Declaration. All definitions stated in the Declaration are incorporated herein by reference as if fully restated in these Bylaws.

Article III

Membership, Voting, Majority of Owners, Quorum, Proxies

3.1 Membership. Ownership of a Lot is required in order to qualify for membership in this Association. Any person on becoming an Owner of a Lot shall automatically become a member of this Association and be subject to these Bylaws and the Declaration. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and member arising out of or in any way connected with Lot ownership, Association membership, and the Declaration or obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so decides, issue membership cards to the Lot Owners. Such membership card shall be rendered to the Secretary whenever ownership of the Lot designated thereon shall terminate.

3.2 Classes of Membership. The Association shall have two (2) classes: membership Class I and Class II.

(a) Class I. Subject to subparagraph (b) of this section, all members shall be Class I members, except the Declarant, and shall be entitled to one (1) vote for each Lot owned. The vote for such Lot shall be exercised as such owners determine, and in no event shall such multiple Owners vote more votes than they are entitled by the Lots owned.

(b) Class II. The Declarant shall be the only Class II member and shall be entitled to four (4)

votes for each Lot owned by Declarant. The Class II membership of Declarant shall forever terminate when Declarant has sold eighty percent (80%) of the Lots.

3.3 Voting.

(a) When more than one person or entity is an Owner to any Lot, the vote for such Lot shall be exercised as such Owners determine, and in no event shall such multiple Owners vote more votes than they are entitled by the Lots owned.

(b) 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.

(c) In the event any assessment remains unpaid by an Owner for sixty (60) days after the due date, the Board may elect to suspend the voting rights of such Owner until the assessments are paid current.

3.4 Definition of Percentage. When any provision of the Declaration or Bylaws calls for the vote or the consent of the members in any stated percentage, the following rules apply, unless the specific language of the provision provides to the contrary:

(a) whenever a vote of the members is required, it is sufficient to obtain the written consent of members having the same percentage of votes; and

(b) the percentage requirement shall be a percentage of the total voting power of the Association or of the total voting power of the required class or group and not a percentage of the number of members of the Association,

class or group.

"Voting Power of the Association" means the total number of votes of all members at the time the pertinent vote is to be taken.

Any provision of this Declaration requiring a vote by the members shall be satisfied if the required percentage or number of members give their written consent. If any election held pursuant to the requirements of this Declaration, ballots may be transmitted to Owners in the manner provided for the giving of notice.

3.5 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of twenty-five percent (25%) of the members of the Association shall constitute a quorum. Except as otherwise provided in the Declaration, affirmative vote of members who hold majority of the votes present, either in person or by proxy, shall be required to transact business and to adopt decisions binding on all Owners.

3.6 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing, dated and filed with the Secretary before the appointed time of each meeting. A Person may designate a non-member as his proxy. Revocation of any proxy may be made at any time by written notice to the Secretary. A revocation of a proxy shall not affect any vote or act taken or authorized pursuant thereto prior to such notice to the Secretary. A proxy shall terminate one year after its date, unless it specifies a shorter term. Conveyance of a Lot or undivided interest therein by an Owner shall be deemed revocation of any proxy executed by such Owner unless the successor in interest to such Owner assumes or takes subject to a mortgage containing an irrevocable proxy.

Article IV

Administration

4.1 Association Responsibilities. The Owners of the Lots will constitute the Sangre de Cristo Estates Homeowners' Association, which will have the responsibility of administering the Subdivision through a Board of Directors.

4.2 Place of Meeting. Meetings of the members of the Association shall be held at such place as the Board of Directors may determine within Santa Fe County, New Mexico.

4.3 Annual Meeting. The annual meetings of the Association shall be held on a date selected by the Board of Directors. At such meetings, there shall be elected by ballot of the members a Board of Directors subject to election in accordance with the requirements of paragraph 5.05 of Article V of these Bylaws. The members may also transact such other business of the Association as may properly come before the meeting.

4.4 Special Meetings. It shall be the duty of the President to call a special meeting of the members of the Association as directed by resolution of the Board of Director or upon a petition signed by members having at least twenty percent (20%) of the voting power of the Association, which resolution or petition shall be presented to the President. The notice of any special meetin9 shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of members having at least seventy-five percent (75%) of the voting power of the Association, either in person or by proxy. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

4.5 Notice of Meeting: It shall be the duty of the Secretary to mail a notice of each annual or special meeting, to each member of the Association, at least fifteen (15) days and not more than sixty (60) days prior to such meeting or as otherwise provided herein. The mailing of a notice in the manner provided in this paragraph shall be considered notice served. The certificate of the Secretary that notice was properly given as provided in these Bylaws shall be prima facie evidence thereof. Notices of meetings shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendments to the Declaration or these Bylaws, any Annual Budget changes and any proposal to remove a director.

4.6 Adjourned Meetings. If any meeting of members of the Association cannot be held because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time, for periods of no bner than one week, until a quorum is obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.7 Order of Business. The order of business at all meetings of the members of the Association shall be as follows:

- (a) roll call;
- (b) proof of notice or meeting or waiver of notice;
- (c) reading of Minutes;
- (d) reports of officers;
- (e) reports of committees
- (f) election of directors (annual meetings only);
- (g) unfinished business;
- (h) new business; and
- (l) adjournment

4.8 Rules of Meeting: The Board may prescribe reasonable rules for the conduct of all meetings of the Board and of the members of the Association and in the absence of such rules, Robert's Rules of Orders shall be used.

ARTICLE V

Board of Directors

5.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of seven (7) persons. The number of directors may be increased or decreased by amendment of the Declaration and these Bylaws; provided, however, that the number of directors shall not be reduced to less than three (3). Directors must be members of the Association.

5.2 Power and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may do all such acts and things as are authorized by law or by the Articles of Incorporation or these Bylaws or by the

Declaration directed to be exercised and done by the Owners.

5.3 Other Powers and Duties. In addition to the powers and duties permitted by law, the Board of Directors shall be empowered and shall have the duties as follows:

(a) to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the Articles of Incorporation and these Bylaws;

(b) to adopt, establish, make, publish and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Subdivision with the right to amend same from time to time, a copy of such rules and regulations shall be delivered to or mailed to each member promptly upon the adoption thereof;

(c) to keep in good order, condition and repair all of the road easements and associated improvements within the Subdivision;

(d) to fix, determine, levy and collect periodically, the prorated assessments to be paid by each of the Owners towards the gross expenses of the entire Subdivision and to adjust, decrease or increase the amount of the assessments, and to credit any excess of assessments over expenses and cash reserves to the Owners against the next succeeding assessment period; to levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies; all assessments shall be in statement form and shall have set forth the detail of the various expenses for which the assessments are being made;

(e) to impose penalties and collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws;

(f) to enter into contracts within the scope

of their duties and powers;

(g) to establish a bank account for the common treasury and for all separate funds which are required or *may* be deemed advisable by the Board of Directors;

(h) to keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit examination thereof at any reasonable time by each of the Owners, and upon affirmative vote of at least a majority of the Owners, to cause a complete audit to be made of the books and accounts by a competent certified public accountant;

(i) to prepare and deliver annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement;

(j) to designate and/or remove as appropriate the personnel necessary to carry out the duties and responsibilities of the Association;

(k) to foreclose the lien against a Lot for default in the payment of assessments or dues for Association expenses;

(l) to provide for reimbursement of expenses, if any, of directors and officers and for reasonable compensation of employees of the Association; this provision shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the Subdivision in accordance with the provisions of Section 5.16 of this Article;

(m) to declare the office of a member of the Board of Directors to be vacant in the event such director shall be absent from three (3) appropriately scheduled consecutive meetings of the Board of Directors;

(n) to suspend the voting rights of a member of the Association for failure to comply with these Bylaws or the Regulations of the Association or with any other obligations of the Owners under the Declaration;

(o) acquire, hold and dispose of Lots and mortgage the same if such expenditures and

hypothecations are included in the budget adopted by the Association; and

(p) in general, to carry on the administration of this Association and to do all of those things, necessary and reasonable and not inconsistent with the Articles of Incorporation, the Declaration and these Bylaws, in order to carry out the governing and operation of the Subdivision.

5.4 Managing Agent. The Board of Directors may employ for the Association a managing agent, at a compensation established by the Board of Directors, to perform such day-to-day management duties and services as the Board of Directors shall delegate and authorize. The term of any contract with a managing agent shall not exceed one (1) year.

5.5 Election and Term of Office. Members of the Board of Directors shall be elected by a majority of votes cast at the annual meeting of the Members of the Association.

Upon the expiration of the term of any director position, the person elected to such position shall serve for a period of two (2) years such that the terms of the directors are partially staggered. A director shall serve until his or her term expires and a successor is duly elected and qualified, the director resigns or is unable to serve, or the director is removed in the manner hereinafter provided. Any vacancy in the Board of Directors occurring before the end of a term shall be filled in the manner provided in Section 5.06 hereof.

5.6 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by decision of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected to fill the unexpired term of the director at the next annual meeting of the members of the Association.

5.7 Removal of Directors. At any regular or special meeting of the members of the Association duly called, any one or more of the directors may be removed with or without cause by the vote of a majority of the Owners, and a successor may then and there be elected to fill each vacancy thus created. Any director whose removal has been proposed by

the member shall be given an opportunity to be heard at the meeting.

5.8 Organizational Meeting. The first meeting of newly elected Board of Directors shall be held within fifteen (15) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

5.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors but at least one such meeting shall be held each quarter. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, or telephone, at least seven (7) days prior to the day named for such meetings. There shall be a regular meeting of the Board of Directors within fifteen (15) days of the annual meeting of members of the Association held pursuant to paragraph 4.03 hereof, and notice of such annual meeting to members of the Association in accordance with paragraph 4.05 hereof shall be deemed notice to each director of such regular meeting.

5.10 Special Meetings. Special meetings of the Board of Directors may be called by the President on seven (7) days' notice to each Director, given personally, or by mail, or telephone, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

5.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.12 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the

majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting; any business which might have been transacted at the meeting as originally called may be transacted without further notice.

5.13 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board. Notwithstanding the foregoing, regular or special meetings of the Board of Directors may be held by telephone conference.

5.14 Compensation. The members of the Board of Directors shall serve without salary or compensation, but may be reimbursed for out-of-pocket expenditures, authorized by the Board of Directors.

5.15 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

5.16 Common or Interested Directors. Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interests of the Association. Any contract or other transaction between the Association and any of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which any of the directors of the Association are directors or officers or are pecuniarily or otherwise interested is void unless:

(a) The fact of the common directorate or interest is disclosed to the Board of Directors, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; and

(b) The fact of the common directorate or

interest is disclosed to the Owners of the Association, and the Owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose.

ARTICLE VI

Officers

6.1 Designation. The officers of the Association shall be members of the Board of Directors and shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors.

6.2 Election of Officers. The officers of the Association shall be elected annually from the membership of the Association, by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Vacancies in the officers of the Association shall be filled by the Board. One person may hold concurrently the office of Vice President and Secretary or Vice President and Treasurer, but the President shall serve only in the office of President and the offices of Secretary and Treasurer shall not be held concurrently by one person. All officers must be members of the Association.

6.3 Removal of Officers. Upon an affirmative vote of a majority of the members or the Board of Directors, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

6.4 President. The President shall be elected from among the Board of Directors and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of a non-profit corporation, including but not limited to the preparation, execution, certification and recordation of amendments to the Declaration, the power to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or

special meetings.

6.5 Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or due to the President's inability for any reason to exercise such powers and functions or perform such duties.

6.6 Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Directors and have minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last-known addresses as shown on the records of the Association.

Such list shall also show opposite each member's name the number or other appropriate designation of the Subdivision Lot owned by such member and the number of votes for each Lot owned. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at a reasonable time during regular business hours.

6.7 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors, and shall pay all charges and obligations of the Association before the same shall become due.

6.8 Managing Agent. Subject to the Board of Directors' approval, the officers may delegate day-to-day management duties and services to a managing agent, pursuant to Section 5.04.

ARTICLE VII

Indemnification and Liability

7.1 Indemnification. The Association shall indemnify every director and officer or former director or officer of the Association, and their heirs, executors, administrators, and

successors against all reasonable costs and expenses, including attorneys' fees, actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, to which such person may be made a party by reason of being or having been a director or officer of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable on the basis that he breached or failed to perform the duties of his office, and the breach or failure to perform constitutes willful misconduct or recklessness. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person qualifies for indemnification hereunder.

The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled under state law. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses. Nothing contained in this Section shall, however, be deemed to obligate the Association to indemnify any Owner who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred as an Owner under or by virtue of the Declaration, or his ownership of a Lot, as distinguished from his conduct and activities as an officer or director of the Association.

7.2 Non-Liability of the Directors and Officers. No director or officer of the Association shall be personally liable to the members of the Association for any mistake or judgment or for any acts or omissions of any nature whatsoever as such director or officer, except for any acts or omissions found by a court to constitute a breach or failure to perform his duties of office, and the breach or failure to perform constitutes willful misconduct or recklessness. No director or officer shall be personally liable with respect to any contract made by them on behalf of the Association.

7.3 Liability of Owners for Common Elements. The liability of any Owner arising out of any contract made by the officers or Board of Directors, or out of the aforesaid indemnity in favor of the members of the

Board of Directors or officers, or for damages as a result of injuries arising in connection with the Common Elements solely by virtue of his ownership of an undivided percentage interest therein or for liabilities incurred by the Association, shall be limited to the total liability multiplied by such undivided percentage interest. Every agreement made by the officers, the Board of Directors or managing agent on behalf of the Association shall provide that the officers, the members of the Board of Directors or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Common Expense liability.

7.04 Non-Liability of Association. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Lots. No diminution or abatement of any assessments, as provided in the Declaration or these Bylaws, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Easements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE VIII

Mortgages

8.1 Notice to Association. An Owner who mortgages his Lot shall notify the Secretary of the Association, giving the name and address of this Mortgagee, if required by the Mortgagee. The Association shall maintain such information as appropriate.

8.2 Notice of Unpaid Assessments. The Association shall, at the written request of a Mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot upon payment of such reasonable charge as may be determined by the Board.

ARTICLE IX

Evidence of Ownership and Registration of Mailing Address

9.1 Proof of Ownership. Any Person on becoming an Owner of a Lot shall furnish to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that Person with an interest or ownership which instrument shall remain in the files of the Association. Such Person shall neither be deemed to be a member of the Association in good standing nor shall he be entitled to vote at any annual or special meeting of members of the Association unless this requirement is first met.

9.2 Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association upon becoming an Owner of a Lot. Except for regular periodic assessment statements, notices of annual and special meetings as provided in the Bylaws, and other routine notices, which shall be sent by regular first class mail, postage prepaid, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. In the event an Owner fails to register his address with the Association in accordance herewith, the Association shall send all notices, statements, demands, etc. to such Owner at the address of his Lot.

All notices, demands, or other notices intended to be served upon the Board or the Association shall be sent by registered or certified mail, postage prepaid, to the Sangre de Cristo Estates Homeowners' Association, P.O. Box 31501, Santa Fe, New Mexico 87594-1501, until such address is changed by a notice to the Owner. All notices, demands, statements or other information shall be deemed furnished and delivered to an Owner, upon deposit thereof in the U.S. mail, postage or charges prepaid, addressed to the party in accordance with this subparagraph, and in any event, upon actual receipt by such party.

ARTICLE X

Contracts, Signatories, etc.

10.1 Contracts. The Board of Directors may authorize any officer or officers, agent or

agents of the Association, in addition to the officer so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of an on behalf of this Association. Such authority shall be confined to specific instances.

102 Checks and Drafts, etc. All checks, drafts, other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by two officers of the Association and in such manner as from time to time shall be determined by written resolution of the Board of Directors.

103 Deposits. All funds of the Association shall be deposited from time to time in the credit of the Association in such banks, financial institutions or other depositories as the Board of Directors may select.

104 Gifts. The Board of Directors may accept on behalf of and for the Association any contributions, gifts, bequests or devises for the general purposes or for any specific purpose of the Association.

ARTICLE XI

Books, Records and Inspection Thereof

11.01 Maintenance. The Association shall keep correct and complete books and records of account and shall also keep minutes of the meetings of the members of the Association, and of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of all members of the Association. All books and records of the Association shall be open for inspection by any Owner, at such reasonable time or times as may be requested by such Owner.

ARTICLE XII

Fiscal Year

12.01 The fiscal year of the Association shall end on the 30th day of June of each year, unless another fiscal year shall be adopted by resolution of the Board of Directors.

ARTICLE XIII

Waiver of Notice

13.01 Whenever any notice whatever is required to be given under the provisions of the laws of the State of New Mexico or under the provisions of the Declaration, Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

Assessments

14.01 Liability of Owners. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments, which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessment which is not paid when due shall be deemed to be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of eighteen percent (18%) per annum.

The Association may bring action at law against the Owner personally obligated to pay the same and foreclose the lien against the pertinent Lot, and interest costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or escape liability for the assessments provided for therein by non-use of the Subdivision Easements or his Lot or by abandonment of his Lot. A suit to recover a money judgment for unpaid expenses hereto shall be maintainable without foreclosing or waiving the lien securing the same. All of the above shall be done in total compliance with the requirements set forth in the Declaration.

ARTICLE XV

Corporate Seal

15.01 The Association shall have no corporate seal. The absence of a seal from any documents to be executed in behalf of said Association shall not affect the validity of such documents.

ARTICLE XVI

Character of Association

16.01 Non-profit Association. This Association is not organized for profit. No member, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive any pecuniary gain from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member, member of the Board of Directors or officer; provided, however, always (1) that reasonable compensation may be paid to any member, manager, director or officer while acting as an agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and (2) that any member, manager, director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

Jack Lebowitz, Secretary of Sangre de Cristo Homeowners' Association, a New Mexico non-profit corporation, on behalf of said non-profit corporation.

Notary Public

My Commission expires:

ARTICLE XVII

Amendments to Bylaws

17.01 Bylaws. These Bylaws may be amended by the members of the Association at a duly constituted meeting for such purpose, as provided for herein.

IN WITNESS WHEREOF, the undersigned officers of the Sangre de Cristo Estates Homeowners' Association, a New Mexico non-profit corporation, have executed these Bylaws, as amended, this 7th day of July, 2001.

By:

John Stinson, President

By: Jack Lebowitz, Secretary

ACKNOWLEDGEMENT

STATE OF NEW MEXICO

COUNTY OF SANTA FE)

ss:

The foregoing instrument was duly acknowledged before me this ____ day of _____, 2001, by John Stinson, President and