

PAA-KO COMMUNITIES

CANYON RIDGE ESTATES, PHASE I COMPREHENSIVE DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

**(THESE COVENANTS & RESTRICTIONS
COVER THE FOLLOWING SUBDIVISIONS):**

**PAA-KO VILLAGE
UNIT 3 - 14**

Return: Nancy Street

**PAA-KO VILLAGE, UNITS 3-14
COMPREHENSIVE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS DECLARATION, is made on the date and year below written, by Mountain Ranch Limited Partnership, a New Mexico Limited Partnership, hereinafter referred to as the "Declarant".

RECITALS

1. Declarant is the owner of that certain real property described in Exhibit "A" hereof (the "Property").

2. The purpose of this Declaration is to create and carry out a uniform plan for the improvement, development, sale and use of the Property; to preserve so far as possible the natural beauty of the Property; to limit the erection of poorly designed or proportioned improvements, or the use of unsuitable materials, to encourage the erection of well designed, attractive improvements which are harmonious with their sites and consistent with existing Improvements; and in general, to enhance the environmental quality and economic value of the Property.

NOW, THEREFORE, Declarant hereby declares that the Property described above shall be held, sold, used, developed, occupied, leased and conveyed subject to the following reservations, easements, restrictions, covenants and conditions and which shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1. "Architectural Control Committee" shall mean the committee created pursuant to Article VI hereof. Such Architectural Control Committee shall hereinafter sometimes be referred to as "ACC" or "Committee".

Section 1.2. "Architectural Control Committee Rules" shall mean such rules as are adopted by the ACC pursuant to Article VI hereof.



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Section 1.3. "Association" or "Homeowners Association" shall mean the Paa-Ko Communities Homeowner's Association, Inc., a New Mexico non-profit corporation, which Declarant has caused to be incorporated.

Section 1.4. "Common Facilities/ Common Properties"

Common Facilities" shall mean and refer to all existing and subsequently provided Improvements upon or with-in the Common Properties, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of Improvements for the use and benefit of all Owners constructed on a portion of one or more Lots, Tracts or Parcels or on acreage owned by Declarant (or Declarant and others) which is not a part of the Common Properties. By way of illustration, Common Facilities may include, but not necessarily be limited to, the following: fences, walls, common driveways, landscaping, guardhouses, streets, street lights, utility equipment, sewer pumps and lines, constructed wetlands, private access easements, multi use easements, any portions of public roads not accepted for maintenance by the County of Bernalillo, and any medians or other portions of public roads that the County of Bernalillo may require the Association for maintenance of, and other similar and appurtenant Improvements. References herein to the "Common Facilities (any Common Facility) in the Subdivision" shall mean and refer to Common Facilities as defined respectively in this Declaration and all Supplemental Declarations.

"Common Properties" shall mean and refer to all those areas of land within the Property as shown and designated as such on the Subdivision Plats, except the Lots, Tracts and Parcels and the dedicated roadways shown thereon (if and when the dedicated roadways are accepted for maintenance by the County of Bernalillo), including Parks, together with such other property or rights in property, as the Association may, at any time or from time to time, acquire by purchase, contract, or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plats, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to "the Common Properties in the Subdivision" shall mean and refer to Common Properties as defined respectively in this Declaration and all Supplemental Declarations.



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Section 1.5 "Amenities Facilities/ Amenities Properties"

"Amenities Facilities" shall mean and refer to all existing and subsequently provided Recreational Amenities upon or within the Amenities Properties, except those as may be expressly excluded herein. Also, in some instances, Amenities Facilities may consist of Recreational Amenities for the use and benefit of all or less than all Owners herein constructed on a portion of one or more Lots, Tracts or Parcels or on acreage owned by Declarant (or Declarant and others) which is not a part of the Amenities Properties. By way of illustration, Amenities Facilities may include, but not necessarily be limited to, the following: clubhouse, tennis courts, swimming pool, playground, fences, walls, driveways, landscaping, guardhouses, streets, street lights, utility equipment, sewer pumps and lines, constructed wetlands, private access easements, multi use easements, any portions of public roads not accepted for maintenance by the County of Bernalillo, and any medians or other portions of public roads that the County of Bernalillo may require the Association for maintenance of, and other similar and appurtenant Improvements. References herein to the "Amenities Facilities (any Amenities Facility) in the Subdivision" shall mean and refer to Amenities Facilities as defined respectively in this Declaration and all Supplemental Declarations.

"Amenities Properties" shall mean and refer to all those areas of land associated with Amenities Facilities as described herein, within the Property as shown and designated as such on the Subdivision Plats, except the Lots, Tracts and Parcels and the dedicated roadways shown thereon (if and when the dedicated roadways are accepted for maintenance by the County of Bernalillo), including Parks, together with such other property or rights in property, as the Association may, at any time or from time to time, acquire by purchase, contract, or otherwise, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the Subdivision Plats, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to "the Amenities Properties in the Subdivision" shall mean and refer to Amenities Properties as defined respectively in this Declaration and all Supplemental Declarations.

Section 1.6. "Declarant" shall mean Mountain Ranch Limited Partnership, a New Mexico Limited Partnership, and its successors and assigns.



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Section 1.7. "Declaration" shall mean the covenants, conditions, and restrictions herein set forth in this entire document, as the same may be from time to time amended.

Section 1.8. "Development Plan" shall mean the plan for development of a Lot, Tract, or Parcel which is required to be submitted to the ACC pursuant to Section 6.12 hereof.

Section 1.9. "Drainage Way" shall be any area designated on the Plat as such and in addition shall include any and all arroyos, creeks, streams, sedimentation basins or bar ditches located, designated or constructed on the Property.

Section 1.10. "Improvement" shall mean the buildings, garages, carports, streets, roads, antennas, gates, driveways, parking areas, fences, walls, hedges, plantings, planted trees and shrubs, lighting and all other Structures or landscaping Improvements of every kind and type affecting the natural condition of the land or the drainage of surface waters on, across or from the land.

Section 1.11. "Lot, Tract or Parcel" shall mean each piece of land shown as a Lot, Tract, or Parcel on the recorded Subdivision Plat of the Property and designated thereon by a separate Lot, Tract or Parcel, number, or any subsequent subdivision of a Lot, Tract or Parcel.

Section 1.12. "Member(s)" shall mean and refer to all those Owners who are members of the Association as provided in the Declaration, together with all the Owners in the Subdivision who are members of the Association as provided in all Supplemental Declarations.

Section 1.13. "Mountain Ranch" shall mean and refer to that certain real property described as Tracts A, B, C, and D Mountain Ranch as the same are shown and designated on the plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico, on January 22, 1981, in Volume 91C, Folio 24.

Section 1.14. "Mountain Ranch Master Plan" shall mean and refer to the Mountain Ranch Master Plan/Sector Development Plan approved by the Bernalillo County Commission on March 14, 1989 and as amended from time to time thereafter, providing for 1440 Lots, 3 Tracts and Parcels on a total of 3656 acres, as such Master



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Plan/Sector Development Plan now exists or may be hereafter be supplemented or amended.

Section 1.15. "No Build and Multi Use Easements" shall mean any area designated as a No Build or Multi Use Easement on the Subdivision Plat, or any supplemental or amended Subdivision Plat, which shall be subject to the restrictions and conditions set forth in Article X of this Declaration or any Supplemental Declaration and the restrictions and conditions set forth on the Subdivision Plat or any supplemental or amended Subdivision Plat. No Build Easements are areas designated as such by the Declarant for the purposes of providing visual open space and to reduce the visual impact of development, by limiting the land to passive uses. Multi Use Easements are areas designated as such by the Declarant for other purposes.

Section 1.16. "Owner(s)" shall mean and refer to the record Owner, whether one or more persons, associations or entities, of legal, equitable or beneficial title of or to any Lot, Tract or Parcel of land. Owner shall include purchaser under an executory contract for sale of real property. The foregoing does not include persons or entities who hold an interest in any Lot, Tract or Parcel of land or in the Property merely as security for the performance of an obligation. Any reference herein to Owners shall include Owners as defined herein and as defined or included in any Supplemental Declaration. If any Lot, Tract or Parcel is leased, the term Owner (s) shall include lessees, provided the lease is in writing and for a term of at least one year.

Section 1.17. "Park" means any unnumbered parcel in the Subdivision labeled "Park", and shown as such on the Subdivision Plat.

Section 1.18. "Architectural Control Committee Guidelines" shall mean a separate document hereunder, which shall be considered as an integral part hereof, for the purpose of compiling detailed restrictions imposed upon any Lot, Tract or Parcel by the ACC.

Section 1.19. "Private Waste Disposal Systems" shall mean any septic tank, tank, septic system, evapotranspiration ("ET") or other approved system for the disposal of sewage or liquid waste from a structure including all pipes, fittings, lines and other related equipment or attachments thereto.



Section 1.20. "Property" shall mean and refer to the real property located in Bernalillo County, New Mexico, and more specifically described in Exhibit A to this Declaration, including the aerial and subsurface rights appurtenant thereto, and such additions thereto as may hereafter be annexed by Supplemental Declaration.

Section 1.21. "Residual Parcel" shall mean any area designated as the Residual Parcel on the Subdivision Plat, located adjacent to, but not a part of the Subdivision.

Section 1.22. The "Subdivision" shall mean all of the Paa-Ko Village Unit 3-14 Subdivisions, together with any Entrance Road and any property annexed or added by Supplemental Declaration, as set forth on the Subdivision Plat filed in real property records of the Bernalillo County Clerk.

Section 1.23. "Single-family Residential Use" shall mean the occupation or use of a Structure as a residence or dwelling unit by a single person, a family or a family-sized unit in conformity with this Declaration and the requirements imposed by applicable zoning laws or any other state, county or municipal laws, rules, regulations, codes or ordinances.

Section 1.24. "Structure" shall mean anything erected, constructed, placed, laid or installed in, on, or over real property, the use of which requires a location on or in the ground but not including vegetation, trees, shrubs, or plantings.

Section 1.25. "Subdivision Map or Subdivision Plat" or "Plat Map" or "Plat" or "Final Plat" shall mean the recorded map or plat of the Paa-Ko Village, Unit 3-14 Subdivisions, as amended or re-platted from time to time, covering any or all of the Property referred to in this Declaration, and covering any additional real property annexed by Supplemental Declaration.

Section 1.26. "Supplemental Declaration" shall mean any Supplemental Declaration of Covenants, Conditions, and Restrictions bringing or adding additional property within the scheme of this Declaration pursuant to Article II hereof. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declaration" shall be deemed to relate to all property covered by this or any Supplemental Declaration.

Section 1.27. "Visible From Neighboring Property" shall mean that with respect to any given object, that such object is or would be visible to a person six (6) feet tall, standing on any part of a neighboring property. A neighboring property shall be any Lot, Tract or Parcel having a common lot line except for the intervention of a street, road, right-of-way or easement.

Section 1.28 "Horse Lots" any Lot, Tract or Parcel as described in Section 1.11 designated as a Horse Lot by the ACC. Horses will be allowed on Horse Lots subject to restrictions imposed by the ACC.

ARTICLE II

PROPERTY SUBJECT TO RESTRICTION

Section 2.1. General Declaration. Declarant hereby declares that the Property within the Subdivision is and shall be held, conveyed, developed, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part, subject to this Declaration, as amended or modified from time to time. This Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, improvement and sale of the Property and is established for the purpose of enhancing and improving the value, desirability and attractiveness of the Property and every part thereof. All of this Declaration shall run with all of the Property for all purposes and shall be binding upon and inure to the benefit of Declarant, all Owners and their successors in interest.

Section 2.2. Description of Property. The Property subject to this Declaration is all Property described in Section 1.22 hereof, together with any and all Property added or annexed by Supplemental Declaration at a subsequent time.

Section 2.3. Staged Subdivision. Declarant, its successors and assigns, shall have the right, but not the obligation, to bring within the scheme of this Declaration additional properties in Paa-Ko in future stages of the development (including, without limitation, any Residual Parcel and all or portions of other subdivisions developed by Declarant or affiliated or subsidiary entities) without the consent or approval of Owners of any Lots, Tracts or Parcels (other than Declarant) and without the consent or approval of the Association;



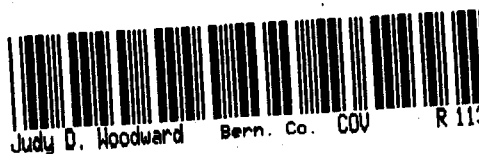
provided, however, that such additional properties must be within the boundaries of the Property (as the Property shall then exist). As additional properties are subdivided, Declarant shall, with respect to said properties, record Supplemental Declarations which may incorporate this Declaration by reference, and which may supplement or modify this Declaration with such additional covenants, restrictions and conditions which may be appropriate for those properties. Upon recordation of such additional plats or maps and the filing of a Supplemental Declaration containing restrictive covenants pursuant thereto, then and thereafter the Owners of all Lots, Tracts or Parcels in the Subdivision shall have the rights, privileges and obligations with respect to all Properties in the Subdivision (including such additional properties) in accordance with the provisions of, and to the extent set forth in, this Declaration and each such Supplemental Declaration.

Section 2.4. Other Additions. Upon the approval of the Association, in its sole discretion, the Owner of any other property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association may file of record a Supplemental Declaration of Covenants and Restrictions upon the satisfaction of the conditions specified in Section 2.3 above.

ARTICLE III

LAND USE

Section 3.1. Single-family Residential Use. All Property shall be used, improved and devoted exclusively to Single-family Residential Use, except as may otherwise be explicitly indicated on the recorded Plat. No business or commercial activity frequented by and open to the general public (and in any event no business or commercial activity which takes place out-doors) shall be conducted within the Subdivision, other than parcels specifically designated for use other than as Single-family Residential on the plat. Home occupations of the Owner are permissible if conducted in the home or studio and in compliance with any rules and regulations governing home occupations hereafter adopted by the ACC. Nothing contained herein shall be deemed to prevent the leasing of all of a Lot, Tract or Parcel to a single person, family or family-sized unit from time to time by the Owner thereof, subject to all the provisions of this



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Declaration. The owner of any rented Lot, Tract or Parcel shall not be relieved of any obligations to the Association.

Section 3.2. Development Plan. Each Owner shall be required to submit a detailed Development Plan, pursuant to the Rules of the ACC, and such plan must be approved in writing prior to the commencement of construction of any Improvement. No construction whatsoever, including, without limitation, site preparation, clearing of trees or excavation, shall commence without the prior written approval of the ACC. All construction and development shall comply strictly with the approved Development Plan. Any person purchasing any portion of the Property subject to this Declaration acknowledges that the breach or violation of this covenant is likely to result in irreparable harm to the rights and interests of other Owners in the Subdivision and that the ACC or the Association, on behalf of such Owners, shall be entitled to injunctive relief, temporary or permanent, in order to prohibit such violation; provided, however, that this provision shall be in addition to any other remedies available hereunder or at law or equity.

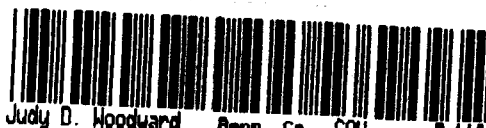
Section 3.3 Time for Construction.

(a) Construction of any residential Structure or Improvement shall be continuous and proceed in an orderly fashion without interruptions and any residential Structure or Improvement on a Lot, Tract or Parcel shall be completed in a reasonable time, not to exceed twelve (12) months from the commencement of construction. The ACC shall have the right to establish required construction times for nonresidential structures on an individual case by case basis.

(b) The foundation for any Structure or Improvement shall be completed as soon as is practically possible after the commencement of construction.

(c) Commencement of construction shall mean the first on-site work for construction, including, but not by way of limitation, clearing of trees, excavation or site preparation for the purpose of foundation.

(d) Materials and equipment necessary for construction, and all debris resulting from clearing or construction, shall be confined to the Lot, Tract or Parcel of land, and shall not be left on any other Lots, Tracts or Parcels or Common Areas or roadways. All such debris shall be conditioned within a suitable



form of trash receptacle approved by the ACC prior to the start of any construction.

Section 3.4. Rentals. No portion of a Residential Lot, Tract or Parcel other than the entire Lot, Tract or Parcel together with the Improvements thereon, may be rented or leased and then only to a single family.

Section 3.5. Re-subdivision. No Lot, Tract or Parcel within the Subdivision shall be further subdivided or separated into smaller Lots, Tracts or Parcels by any Owner, other than Declarant, and no portion of any such Lot, Tract or Parcel or any easement or any other interest (other than a security interest or a rental or lease) therein shall be conveyed or transferred by any Owner. Declarant reserves the right to change Lot lines and re-subdivide the Property at any time and from time to time. Each Owner hereby makes, constitutes and appoints Declarant, with full power of subdivision, as his or its lawful attorney-in-fact, with power to execute, acknowledge, file and record with any governmental authority and appropriate documents for the purpose of effecting the re-subdivision of any Lot, Tract or Parcel thereof, in accordance with the terms of this Declaration. The foregoing power (i) is coupled with an interest, (ii) is irrevocable, (iii) shall survive the dissolution of or resignation of Declarant, (iv) may be exercised for each Owner individually or by listing all of the Owners and executing any instrument with a single signature as attorney-in-fact for all of them, and (v) shall be binding upon all assignees and successors of each Owner.

ARTICLE IV

STRUCTURES

Section 4.1. Requirements. All single-family residential Structures shall be subject to the following requirements, and each enumerated item must be included in the Development Plan submitted and approved in writing by the ACC prior to the commencement of construction; provided, however, that the following requirements shall not be the sole basis for consideration by the ACC (SEE Section 6.15 of this Declaration). Once approved, no Structure or Improvement may vary from the Development Plan without further approval of the ACC. The ACC shall have the right to establish requirements for nonresidential structures at its sole discretion.



(a) Set Backs: All single-family residential Structures are subject to a fifty (50) foot setback requirement from the front lot line and from any road or street right of way boundary, and a fifty (50) foot setback requirement from any Structure situated on an adjacent lot. A twenty-five (25) foot setback shall also be observed from side and rear lot lines. The ACC shall have the right to impose additional and/or modified setback requirements from all lot lines. The ACC shall further have the right to grant variances to these setback requirements. The ACC shall have the right to establish set backs for nonresidential structures.

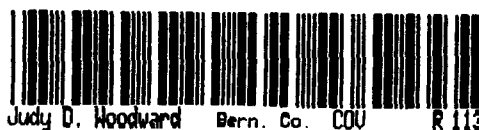
(b) Minimum Floor Areas: All single-family residential Structures shall have a floor area of not less than one thousand seven hundred (1,700) square feet of heated livable space, exclusive of portals, porches (open and closed), patios, garages, carports, balconies or decks. The ACC shall have the right to impose minimum floor areas on all nonresidential structures.

(c) Subdivision Design and Architectural Style: All Structures and Improvements shall be constructed in accordance with Architectural Guidelines published in writing by the ACC (hereafter these guidelines shall be referred to as the "Subdivision Design and Architectural Style").

(d) Height Limitations: The ACC shall have the right to impose limitations on the height of any Structure or improvement and to insure adherence to the Subdivision Design and Architectural Style.

(e) Exterior Color Schemes and Materials: The ACC shall have the right to impose limitations on the exterior color and building materials to be used in all Structures consistent with Subdivision Design and Architectural Style.

(f) Alternative Private Waste Disposal Systems: Alternative private waste disposal systems shall be constructed or allowed to remain or to be used only when specifically approved as to design, capacity, location and construction by all appropriate public health agencies including the State of New Mexico Environmental Improvement Division and approved in writing by the ACC. The ACC shall have the right to require use of a specific type of system. Alternative Systems shall be in accordance with the Paa-Ko Master Plan requirements imposed by Bernalillo County. Such Alternative Private System shall further be approved by the



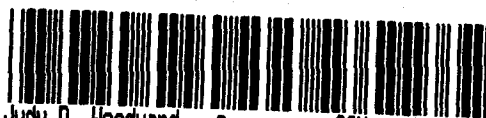
ACC. Owners are required to pump septic systems as often as is required by the Paa-Ko Communities Sewer Cooperative so as to maintain continual operation in an efficient manner. Individual usage may require a more frequent pumping as imposed by the Sewer Cooperative. Failure by the owner to do so will cause the Association or the Cooperative to have said septic pumped on behalf of the owner and at the sole expense of the owner. The ACC shall have the right to require any owner to participate in a master system in operation, and the rules and regulations pertaining to any such master system may or may not supersede the requirements to pump the septic systems set forth in this paragraph.

(g) Roofing Materials: The ACC shall have the right to impose limitations on roofing materials and colors to be used in any Structure.

(h) Driveway: The ACC shall have the right to impose limitations on driveway and parking design, including materials, aprons, location and point of contact with dedicated roads, streets or other private driveways in the Subdivision. The ACC may require the installation and maintenance of culverts at the point of contact with dedicated roads or wherever a driveway crosses a drainage way. ACC requirements shall be in addition to those imposed by any governmental or quasi-governmental body.

(i) Garbage Containers: The ACC shall have the right to require each Owner to specify a specific location for trash service, and may require each Owner to construct a permanent facility of acceptable design and materials at such approved location for the placement of garbage containers for collection purposes.

(j) Solar Heating Collectors, Tanks, Air Conditioners and Swamp Coolers: The ACC shall have the right to approve the location of any active solar equipment, tank, air conditioner or swamp cooler used or proposed in connection with any Structure, including propane tanks, tanks for storage of water, and swimming pool filter tanks. All tanks, air, conditioners, and swamp coolers shall be screened so as not to be Visible From Neighboring Property, or from any street, road, easement or right-of-way. Oil propane or gasoline tanks are prohibited on any single-family residential Lot, Tract or Parcel. The ACC shall have the right to limit or impose restrictions upon any non residential Lot, Tract or Parcel.



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(k) Exterior Lighting: The ACC shall have the right to approve the location, number, size and design of all proposed exterior lighting.

Section 4.2. Trees, Shrubs and Landscaping. The ACC shall have the right to approve the removal and/or addition of trees, shrubs, hedges, ground cover and all other landscaping. There shall be no disturbance of trees or other ground cover during construction without the written approval of the ACC.

Section 4.3. Windmills, Towers and Antennas. No windmill, antenna or other service for the transmission or reception of television signals, radio signals or other form of electromagnetic radiation visible from any street shall be erected, used or maintained on any single-family residential Lot, Tract or Parcel of land, whether attached to a building or Structure or otherwise, without prior approval of the ACC. No radio signals, television signals, or any other form of electromagnetic radiation shall originate from any Lot, Tract or Parcel of land which may unreasonably interfere with the reception of any television or radio signal on any other Lot, Tract or Parcel of land. This provision does not apply to any public or private utility company. Satellite Dishes or dishes of any other nature shall not be visible from any street, and shall be adequately screened or painted so as to not be visible. Any dish shall be approved by the ACC prior to its installation. The ACC shall have the right to impose limitations on nonresidential Lots, Tracts or Parcels.

Section 4.4. Underground Utility Lines. Erection of temporary power or telephone structures incident to the construction of buildings or Structures which have been previously approved in writing by the ACC shall be allowed. The installation method, including, but not limited to, location, type of installation equipment, trenching method and other aspects of installation, for both temporary and permanent utilities shall be included in the Development Plan and approved in writing by the ACC.

Section 4.5. Temporary Structures - Occupancy During Construction. Except as permitted in Section 5.13, no trailer, basement or any incomplete building, tent, shack, garage or barn and no temporary building of any kind shall be used at any time for a residence on the Property within the Subdivision either on a temporary or permanent basis.



Section 4.6. Out-buildings. Acceptable residential lot out-buildings include a principal garage or carport and either a guest house, studio or workshop. Any proposed out-buildings must be included in the Development Plan and approved in writing by the ACC. Owners must comply with Bernalillo County ordinances which may affect or restrict such structures.

Section 4.7. Signs. No sign, billboard, or advertising structure shall be erected or maintained on any Lot, Tract or Parcel of land within the Subdivision, unless approved in writing by the ACC or otherwise consistent with signage rules issued by the ACC, and shall be further subject to any municipal codes or ordinances applicable to such signage.

Section 4.8. Improvements and Alterations. No Structures, Improvements, alterations, repairs, excavations or other work which in any way alters the exterior appearance of any Structure within the Subdivision or the appearance of any other Improvements located thereon shall be made or done without the prior written approval of the ACC.

Section 4.9. Solar Equipment. Request for approval of installation of any type of solar equipment shall be included in the Development Plan and approved in writing by the ACC.

Section 4.10. Chemical Fertilizers, Pesticides or Herbicides. No commercial chemical fertilizers, pesticides or herbicides other than those approved by the ACC shall be used on any of the residential Lots, Tracts or Parcels. This provision in no way limits the use of those products which are readily available for consumer use and approved by an agency, such as the Food and Drug Administration, for the purpose intended.

Section 4.11. Access to Common Properties. No ramps, paths, walls, private streets or other access shall be constructed from or over a residential Lot, Tract or Parcel to any Common Property unless the same is approved in writing by the ACC.

Section 4.12. Attachment of Covenant on Resale or Remodel. This Declaration shall attach following the lease or resale of any residential Lot, Tract or Parcel of land and any remodeling or other alteration of any Improvement must be approved by the ACC through the Development Plan process.



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Section 4.13. Deviation from Approved Plan. All Development Plans approved in writing by the ACC must be complied with strictly and any deviation, change or alteration to the exterior appearance not in compliance with said Plan must be further approved in writing by the ACC. Violation hereof shall be subject to enforcement in accordance with the provisions of this Declaration.

ARTICLE V

RESTRICTIONS

Section 5.1. Animals - Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property. No animal shall be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than that of its Owner unless confined to a leash or under voice control. Upon written request of any Owner the ACC shall conclusively determine at its sole discretion, in accordance with its rules, whether an animal is a domestic household pet, whether an animal is being allowed to run at large or whether an animal is a nuisance. The decision of the ACC in such matters is final, conclusive and shall be enforced as other restrictions contained herein. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large and all animals shall be kept within an enclosed area which must be clean, sanitary and reasonably free of refuse, insects and waste at all times. These restrictions do not apply to Horse Lots as defined herein, and the ACC shall have the right to impose specific restrictions on Lots, Tracts or Parcels designated by the ACC as "Horse Lots".

Section 5.2. Non Disturbance of Natural Vegetation and Maintenance of Lawns and Plantings. No Owner shall cut, tamper, destroy or remove any pinon or juniper tree on any Lot, Tract or Parcel except pursuant to the Development Plan for said Lot, Tract or Parcel approved in writing by the ACC. Each Owner, on his Lot, Tract or Parcel shall keep all shrubs, trees, grass and planting of every kind which are Visible From Neighboring Property or from a dedicated road, Common Property or Common Facility, properly



cultivated, pruned and free of trash and other unsightly material. Declarant, the Association and the ACC shall have the right at any reasonable time to enter upon any Lot, Tract or Parcel to replace, maintain and cultivate shrubs, trees, grass or other plantings located thereon, at total cost to Owner.

Section 5.3. Clothes Drying Facilities. Outside clothes lines or other facilities for drying clothes or airing clothes shall not be erected, placed or maintained on any Lot, Tract or Parcel unless they are concealed in such a manner so as not to be Visible From Neighboring Property or from streets or from access roads.

Section 5.4. Hunting/Trapping/Firearms and Explosives. Hunting, trapping and discharge of firearms or other explosives are expressly prohibited within the Subdivision.

Section 5.5. Dumping. Dumping of ashes, trash, rubbish, sawdust, garbage, land fill, solid waste and any type of refuse and other unsightly or offensive material is expressly prohibited within the Subdivision.

Section 5.6. Reserved.

Section 5.7. Mineral Exploration. No mining, quarrying, tunneling, excavation or drilling for exploration or removal of any minerals including oil, gas, gravel, rocks, earth or earth substances of any kind shall be permitted within the Subdivision.

Section 5.8. Business Activities.

(a) No business or commercial activity frequented by and open to the general public (and in any event no outdoor business or commercial activity) shall be conducted within any Residential Use area of the Subdivision. Home occupations of the Owner are permissible if conducted in compliance with any rules and regulations governing home occupations hereafter adopted by the ACC.

(b) The ACC shall have the right to establish Rules and Regulations, and to otherwise impose restrictions affecting any permitted, non residential activities which include, but are not limited to, commercial, community services, golf course and related facilities, country club, community center, or swim and tennis facilities.

Section 5.9. Obnoxious Activities. No nuisance, obnoxious or offensive activities shall be permitted on any Lot, Tract or Parcel nor shall any rubbish or debris of any kind be placed or permitted to accumulate on or adjacent to any of the Property within the Subdivision, and no odors shall be permitted to arise therefrom, so as to render any such Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provision, no exterior speakers, horns, whistles, bells or any other devices, except security devices used exclusively for security purposes, shall be located, used or placed on any residential use property which are audible from neighboring Property.

Section 5.10. Garbage. No garbage or trash shall be placed or kept on any Lot, Tract or Parcel except in covered containers located and constructed in accordance with Section 4.1 (i). In no event shall such containers be maintained so as to be Visible From Neighboring Property. All rubbish, trash or garbage shall be removed from Lots, Tracts and Parcels and shall not be allowed to accumulate thereon. No incinerator shall be kept or maintained on any Lot, Tract or Parcel. No garbage, trash, or debris shall be permitted to be buried on any Lot, Tract or Parcel at any time nor shall the burning thereof be permitted.

Section 5.11. Vehicles and Equipment. No bus or truck larger than a one-ton pickup, semi-trailer, tractor, machinery or equipment shall be kept, placed (except during the course of making deliveries for the purpose of loading or unloading), maintained, constructed, reconstructed, or repaired on the Property. (This provision shall not apply to necessary equipment and vehicles utilized by non residential Lots, Tracts or Parcels in the ordinary course of business, however, the ACC shall have the right to impose limitations and restrictions on non residential uses.) No motor vehicle or trailer of any type shall be constructed, reconstructed, or repaired on the Property in such a manner as will be Visible From Neighboring Property. Motor homes, recreational house trailers, horse trailers, truck campers, boats, boat trailers and recreational vehicles of any sort or type which are intended to be kept on the Property by the Owner must be placed in such a manner that they will not be Visible From Neighboring Property or from dedicated roadways, Common Facilities or Common Properties. No motorized vehicle of any kind may be operated in any manner which is dangerous, noisy or which creates a nuisance.



Section 5.12. No Overnight Parking. No vehicle of any kind shall be allowed to park overnight on any roadway within the Subdivision.

Section 5.13. Emergency or Temporary Maintenance Vehicles. The provisions of this Declaration shall not prevent any emergency vehicle repairs or operation of an emergency vehicle, ambulance, etc., within the Subdivision. The provisions of this Declaration shall also not prevent the operation or temporary use of construction trailers, vans, or other trucks, machinery/equipment, construction shelters or facilities maintained during and used exclusively in connection with the construction of any Improvement approved in writing by the ACC.

Section 5.14. Motorcycles. The use of motorcycles shall be limited to those which have been approved and are legal for street use. Such use shall be limited to the public streets. No off-road use of any motorcycles shall be permitted and all motorcycles operated within the Subdivision shall have mufflers installed in good condition which limits the exhaust noise to no more than eighty (80) decibels, ten (10) feet from the end of the exhaust pipe.

Section 5.15. Continuing Adequacy of Repair or Maintenance. No building or Structure upon the Property within the Subdivision shall be permitted to fall into disrepair, and each such building and Structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. Such duty to repair shall include the maintenance of any exterior Structures and finish which was included in the Development Plan approved by the ACC.

Section 5.16. Service Yards and Storage Yards. Any service yard, storage yard, wood pile or storage pile shall be located so as not to be Visible From Neighboring Property, public roadways, Common Facilities or Common Property. Any Structure of a permanent nature is to be built with regard to these items and must be included in the Development Plan and approved in writing by the ACC.

Section 5.17. Gates, Walls, and Fences. All gates, walls, and fences must be described in the Development Plan and approved by the ACC.

Section 5.18. Governmental Compliance. Restrictions imposed by Article V herein are supplemental to any imposed by any



governmental or quasi-governmental organizations having jurisdiction to do so. Any Lot, Tract or Parcel is subject to all governmental and quasi-governmental restrictions in addition hereto.

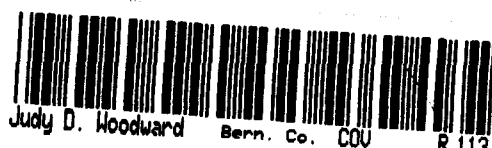
ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

Section 6.1. Establishment and Composition. There is hereby established an Architectural Control Committee ("ACC"), which shall consist of three (3) regular members and one (1) alternate member. The following persons are hereby designated as the initial members:

<u>Position</u>	<u>Name</u>	<u>Type</u>	<u>Address</u>
Office No. 1	Dave Wesley	Regular	1717 Louisiana Blvd. NE Suite 205 Albuquerque, NM 87110
Office No. 2	Nick Thompson	Regular	1717 Louisiana Blvd. NE Suite 205 Albuquerque, NM 87110
Office No. 3	Roger Cox	Regular	1717 Louisiana Blvd. NE Suite 205 Albuquerque, NM 87110
Office No. 4	Kent Moesser	Alternate	1717 Louisiana Blvd. NE Suite 205 Albuquerque, NM 87110

Members of the ACC hereunder shall coincide and be the same as the members of the ACC established under the Canyon Ridge Estates, Phase I Comprehensive Declaration of Covenants, Conditions and Restrictions, as amended in name to Paa-Ko Communities Homeowner's Association Comprehensive Declaration of Covenants, Conditions and Restrictions. Declarant shall have the right to amend this Section 6.1 at any time to create an ACC separate and distinct for Paa-Ko Village Units 3-14, annexed properties as described in Section 2.2 herein or portions thereof.



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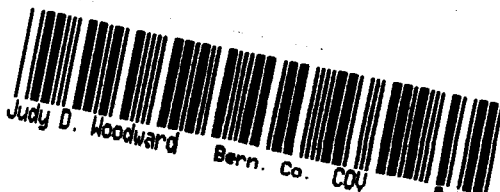
Members of the ACC shall serve without salary or pay and none of the members shall be required to be an architect or to meet any other particular qualifications for membership.

Section 6.2. Voting and Status of Alternate Members. Except as otherwise provided herein, a vote or written consent of a majority of the regular members of the ACC at a meeting or otherwise shall constitute the act of the Committee. Except as hereinafter provided, alternate members shall not be entitled to vote. In the event of absence or disability of one (1) or more regular members, the remaining member or members, even though less than a quorum, may designate an alternate member to act or substitute for the absent or disabled regular member for the duration of such absence or disability. The alternate member so designated shall be entitled to vote in place of the regular member for whom he so substitutes. Notwithstanding the foregoing provisions, the ACC is not authorized to act unless at least one (1) regular member is present or, in the event action is taken without a meeting, unless at least one (1) regular member consents in writing thereto.

Section 6.3. Terms of Office. Unless the initial members of the ACC have resigned or been removed, their terms of office shall be for a period of three (3) years until the appointment of a successor.

Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned or whose terms have expired may be reappointed. At such time as the composition of the ACC is added to or altered, a writing referring to and identifying this Declaration by recording data shall be recorded in the real property records of Bernalillo County, New Mexico, setting forth the name and address of each member of the Committee as it is constituted.

Section 6.4. Appointment and Removal. Except as provided below, the right to appoint and remove all regular members and alternate members of the ACC at any time, with or without cause, shall be, and hereby is, vested solely in Declarant. At such time as Declarant owns less than ten percent (10%) of the Lots (in number), as defined in Section 7.5 herein, or at such time that Declarant records a waiver of the right herein retained, whichever event occurs first, then the Association shall appoint all regular and alternate members of the ACC in accordance with the Bylaws of the Association.



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Section 6.5. Resignations. Any regular member or alternate member of the ACC may resign at any time from the Committee by giving written notice thereof to Declarant or the Association as the situation requires.

Section 6.6. Vacancy. Vacancies on the ACC, however caused, shall be, except as provided in Section 6.4 of this Article, filled by Declarant. A vacancy shall be deemed to exist in case of death, resignation or removal of any regular or alternate member.

Section 6.7. Transfer of Authority to the Association. The duties, rights, powers and authority of the ACC constituted hereby may be assigned at any time, at the sole election of a majority of the regular members of the ACC, to the Homeowners Association, and from and after the date of such assignment, and the acceptance thereof by the Association, the Association shall have full right, authority and powers, and shall be obligated to perform the functions of the ACC as provided herein (and in the Bylaws of the Association).

Section 6.8. Address. The address of the ACC shall be 1717 Louisiana Blvd. NE, Suite 111, Albuquerque, New Mexico 87110 or such other place as may from time to time be designated by the ACC by written instrument recorded in the real estate records of Bernalillo County, New Mexico; and the last instrument so recorded shall be deemed the Committee's property address.

Section 6.9. Duties.

(a) General: It shall be the duty of the ACC to receive, consider and act upon all proposals, plans, complaints, requests for determination, Development Plans or other matters submitted pursuant to the terms of this Declaration, and to carry out all other duties imposed on it by this Declaration.

(b) Developmental Plan Submission Fees: The ACC shall require a submission fee for each proposed Development Plan. This fee shall be considered as a filing requirement of the Development Plan and such Plan will not be considered unless and until such costs are paid. The submission fee may be amended by the ACC. Fees for other services may be set by the ACC.

Section 6.10. Meetings. The ACC shall meet from time to time as necessary to perform its duties hereunder. Subject to provisions of Section 6.2 above, and except as otherwise provided herein, the vote or written consent of a majority of the regular

members at a meeting or otherwise shall constitute the act of the Committee. The Committee shall keep and maintain written records of all actions taken by it at such meetings or otherwise.

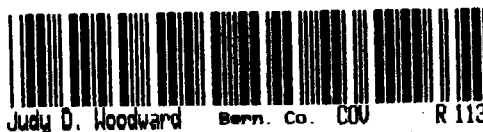
Section 6.11. Action Without Formal Meeting. The ACC, in accordance with Sections 6.2 and 6.10 hereof, may take action without formal meeting by unanimously consenting in writing on any matter which they might consider at a formal meeting. Such unanimous written consent shall constitute the act of the Committee. For the purposes hereof, unanimous written consent shall mean a writing by the three (3) regular members of the ACC except as the provisions of Section 6.2 may apply.

Section 6.12. Procedure for Submission and Approval of Development Plan.

(a) Submission of a Development Plan shall be in accordance with the Rules promulgated by the ACC, as authorized by Section 6.14 hereof.

(b) If the ACC fails to approve or disapprove any material or Development Plan submitted to it hereunder within thirty (30) days after the date shown on the submittal receipt or fails to give notice of its actions as above required, it shall be conclusively presumed that the Committee has approved such materials as submitted. If the Committee requests additional or amended materials or an amended Development Plan during the initial thirty (30) day period, or approves on condition that certain additional or amended materials be submitted, such period shall automatically be extended to fifteen (15) days following the date upon which such additional or amended materials are required to be delivered to and received by and receipted for by the Committee. Additional fifteen (15) day extensions shall occur if further additional or amended materials are requested or required during any subsequent extension period. If the additional or amended materials are not received on or before the required date, then the Development Plan shall be automatically disapproved.

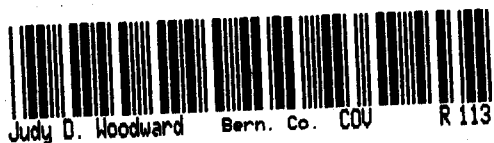
Section 6.13. Waiver and Estoppel. The approval by the ACC of any Development Plan, specifications or drawings or any materials accompanying it for matters requiring approval of the ACC shall not be deemed to constitute a waiver of or create any right of estoppel against the Committee's right to withhold approval of any similar Development Plan, drawing, specification or matter subsequently submitted for approval.



Section 6.14. ACC Rules (Architectural Guidelines). The ACC shall have the authority to adopt, amend, add to, replace and rescind, from time to time, procedural or substantive rules to make more definite and certain, and to carry out the purpose of and intent of the provisions of this Declaration. Any conflict between such rule and any provision of this Declaration shall be resolved in favor of the provision of this Declaration. A copy of such rules, as in effect from time to time shall be provided to any Owner requesting the same in writing; provided that the failure to deliver a copy of any such rules, or the failure of the ACC from time to time to adopt any such rules shall not in any manner inhibit or impair the requirement that a Development Plan be approved by the ACC prior to construction or any other provision of this Declaration. Architectural Guidelines may vary by Lot, Tract or Parcel as imposed by the ACC, and may be contained in a separate document which shall be incorporated and made a part hereof.

Section 6.15. Basis for ACC Approval or Disapproval. The Subdivision is intended by Declarant to be a unique and cohesive development composed of buildings of high quality and appearance. Toward this end, it is intended that the ACC have the greatest degree of discretion possible in reviewing, approving or disapproving Development Plans. Declarant intends that the ACC shall have the right to consider as the basis for any approval or disapproval of a Development Plan, (a) compliance or noncompliance with certain objective standards set out in this declaration or in any rules or guidelines subsequently published or adopted by the ACC, (b) the nature and quality of the building materials and methods of construction to be used, (c) the location of the proposed Improvements on the Lot, Tract or Parcel (d) the visual impact of the proposed Improvements from the standpoint of style and consistency with other Improvements constructed or approved by the ACC for construction in the Subdivision, (e) the experience and expertise of the general contractor, such other subjective factors as the ACC shall, in its discretion, deem relevant or appropriate.

Section 6.16. Decisions Conclusive. All decisions of the ACC shall be final and conclusive, and no Owner or any other person, association or entity shall have any recourse against the ACC, or any member thereof, for its or such member's approval or refusal to approve all or any portion of a Development Plan or of any materials submitted therewith, or for any other decision rendered under the authority of this Declaration.



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Section 6.17. Liability. Neither the Declarant nor the ACC or any member thereof shall be liable to any Owner, or any other person, association, or entity, for any damage, loss or prejudice suffered or claimed on account of: (i) the approval or disapproval of any Development Plan or any materials submitted therewith, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to an approved Development Plan or any materials submitted therewith; (iii) the development of the Property; (iv) the structural capacity or safety features of the proposed Improvements or Structure; (v) whether or not the location of the proposed Improvements or Structure on the building site is free from possible hazards from flooding or from any other possible hazards, whether caused by erosion causing sliding conditions; (vi) compliance with governmental laws, ordinances and regulations; (vii) any decision made or action taken or omitted to be taken under the authority of this Declaration; (viii) any act taken or decision made in connection with any Residual Parcel or any other land contiguous to the Subdivision, including, but not limited to any decision to annex or refuse to annex to the Subdivision any Residual Parcel or any other contiguous land or property; (ix) the execution and filing of any estoppel certificate, whether or not the facts therein are correct; provided, however, that with respect to the liability of a member, such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of any of the foregoing provisions of this Section, the ACC, or any member thereof, may, but is not required, to consult with or determine the view of any other Owner with respect to any Development Plan, or any materials submitted to the ACC.

Section 6.18. Modifications or Waivers. The ACC, upon such terms and conditions, upon the payment of such fees or expenses, and for such procedures as it may prescribe, may, but is not required to, adopt, review and approve or disapprove, in whole or in part, with or without conditions, applications for the modification or waiver of any requirement of Article IV of this Declaration or of the ACC rules applicable to any Improvement or use of, in, on or abutting any Lot, Tract or Parcel. Such applications shall contain such information as the Committee may prescribe and shall affirmatively show that the application of such requirements, under the circumstances, creates unnecessary and undue hardship, and that a modification or waiver will not be detrimental (aesthetically, economically, or otherwise) to the Owner of any other Lot, Tract or Parcel. The Committee may decide the matter upon the application and any materials or written

