

a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments due the Assembly at the time of conveyance.

(h) *Lien Rights.* The Assembly has a lien against each Unit to secure payment of delinquent assessments, fees, and charges levied against that Unit as well as interest on the past due amount, late charges, and costs of collection (including attorneys' fees). The lien is superior to all other liens, except (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior; (ii) the lien or charge of any recorded first mortgage (meaning any recorded mortgage with first priority over other mortgages) made in good faith and for value; and (iii) the Association's lien for its "Common Expenses" (as defined in the Charter). The lien may be enforced by suit, judgment, and judicial or nonjudicial foreclosure, in the same manner as the Association's lien, in accordance with the Charter and New Mexico law. In addition, the Assembly may sue for unpaid assessments and other charges authorized in this Covenant without foreclosing or waiving the lien securing the amount due. The Assembly may record a notice of delinquency with respect to any Unit for which there is a delinquency.

The sale or transfer of property does not affect the lien or relieve such property from the lien for any subsequent assessments. However, sale or transfer pursuant to foreclosure of the first mortgage will extinguish the lien as to any installments of such assessments due prior to the mortgagee's foreclosure. An Owner acquiring property through foreclosure of a first mortgage will not be personally liable for assessments due prior to acquisition of title.

(i) *Commencement of Assessments.* Each Owner's obligation to pay Assembly Assessments begins on the last to occur of (A) the date the Owner becomes obligated to pay assessments to the Association under the Charter; (B) when the Assembly first determines a budget and levies assessments pursuant to this chapter; or (C) July

1, 2008. For each Owner who is not a member of the Association, the later of Section 2.3(i)(B) or (C) applies.

(j) *Exempt Property.* Any Area of Assembly Responsibility (as defined in Section 5.4), property that the Association or any other owners association within Mariposa owns (or which is owned by all of such association's members as tenants-in-common); and any property dedicated to and accepted by any governmental or quasi-governmental authority, including school districts or public utility for public purposes, is exempt from paying Assembly Assessments.

In addition, the Founder and/or the Assembly may grant exemptions to certain persons qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code so long as such persons own property subject to this Covenant for purposes listed in Section 501(c).

(k) *Association's Obligation to Collect and Pay Assembly Assessments.* The Association is responsible for collecting and paying to the Assembly all Assembly Assessments, fees, or other charges the Assembly levies against the Association's members. The Association shall provide for such collection and payment by including such amounts in its common expense budget to be assessed against all Owners subject to its jurisdiction. The Assembly may collect all amounts owed by Owners not subject to the Association's jurisdiction using any method available to it under this Covenant.

The Assembly may enforce the Association's obligation to collect Assembly Assessments and bring suit against the Association to collect delinquent assessments. In addition, the Assembly may enforce any other rights or remedies outlined in this Covenant at law or in equity. The Assembly's rights against the Association shall not prejudice its rights against individual Owners under this section, provided, each Unit Owner shall be liable only for (and the lien under Section 2.3(h) shall secure only) the payment of that Unit

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Owner's share of the Assembly Expenses together with costs incurred by the Assembly in collecting such amounts (including, but not limited to, attorneys' fees), and interest thereon.

2.4. Stakeholder Participation

(a) *Stakeholder Opinion.* At Mariposa, stakeholder opinion and input are essential to community success. The Assembly shall endeavor to stay apprised of resident interests, public opinions, and concerns. Stakeholders may participate in polls organized by the advisory panel at their discretion, and the Assembly may impose polling guidelines on the advisory panel to ensure polling fairness, accuracy, and resident privacy.

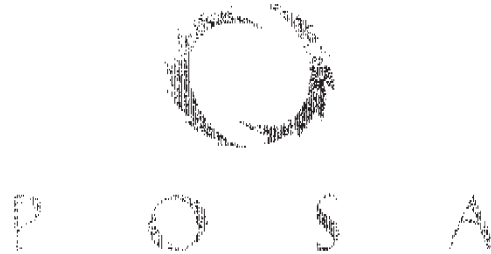
(b) *Advisory Panel and Measuring Device.* The Assembly's board of trustees ("Assembly Board") is charged with the responsibility of keeping apprised of community and resident related matters. (The members of the Assembly Board are referred to as "Trustees.") In order to facilitate an open exchange of ideas at Mariposa, the Assembly may organize a Mariposa advisory panel for the specific purpose of collecting resident and community-related information, such as resident opinions, interests, grievances, and attitudes and reporting the information to the Assembly ("Advisory Panel"). To the extent possible, the Assembly will take resident opinion and interest into consideration when performing its duties and responsibilities.

The Assembly will determine, in its discretion, how the Advisory Panel is selected and how the Advisory Panel will serve, *e.g.*, serve on an *ad hoc* basis, per assignment, or on an on-going basis. In order to reflect the diversity of people at Mariposa, the Advisory Panel shall be comprised of a cross section of people who live or work in Mariposa, such as Owners of various product types, Owners with varying interests, Owners of varying age groups, or employees of various community businesses. Costs associated with

opinion polling shall be itemized in the Assembly budget.

The overriding purpose of the Advisory Panel is to gather information from stakeholders by conducting interviews, disseminating questionnaires, mailings and emails, conducting phone interviews, or organizing any other form of polling effort. The Advisory Panel shall relay its findings to the Assembly. In turn, the Assembly shall report any Association-related information to the Association's board of directors for its consideration and use.

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Chapter 3

Tools for Community Achievement

Achieving the goal of making Mariposa a truly special place to live and work requires not only meaningful, productive opportunities for you and your neighbors to share your ideas, suggestions, and desires. It also requires a creative process, specialized staffing, and great communication. In this chapter, you find these essentials. However, you also will see that the Founder believes that the best community building ideas will come from the community itself. The community's and its stakeholders' ideas are what ultimately will define the way Mariposa will both look and live.

Luck is the residue of design.

Branch Rickey

3.1. Director of Community Enrichment

The Assembly may create and fund the position of "Director of Community Enrichment," or "DCE," whose role shall be to provide leadership for the overall planning, development, implementation, and continuing evaluation of programs, activities, and services to carry out the Assembly's mission. The DCE may be an employee or independent contractor and is responsible to the Board.

The DCE's specific responsibilities are outlined in this Covenant may include the following:

(a) creating accessible opportunities for stakeholders, and invitees to participate in and volunteer their time and skills for community events and activities;

(b) working with volunteers and staff members and cooperating with the Assembly Board and the Association's board of directors to implement the Assembly's objectives and administer its daily affairs;

(c) coordinating, promoting, and facilitating community-wide cultural, artistic, musical, athletic, and social events and activities, as well as educational and outreach programs, including Native American programs;

(d) conducting governance educational programs and contracting for and coordinating continuing education programs and opportunities;

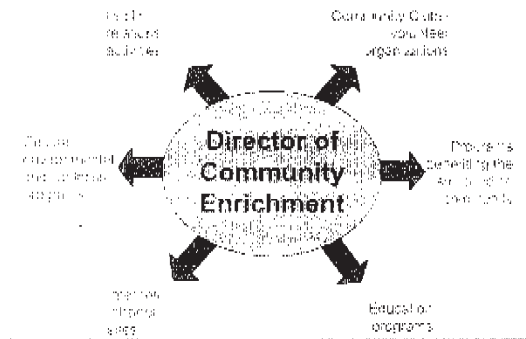
(e) serving as an ombudsman within Mariposa by teaching and practicing "non-adversarial communication" and, when the need arises, mediating, or otherwise intervening to solve disputes and conflicts at the request of the parties involved; and

(f) seeking out new opportunities for building community life and spirit while appreciating stakeholder diversity.

The DCE's responsibilities may also include those agreed upon by the DCE and the Assembly Board, so long as such responsibilities do not hinder, limit, or otherwise interfere with the fulfillment of DCE's responsibilities outlined above.

The DCE shall be employed or otherwise contracted for by the Assembly and shall be entitled to attend and participate in meetings of the Assembly Board; however, in the case of discussions regarding the DCE's employment the DCE may be excluded from meetings of the Assembly Board. The Assembly may enact rules to ensure the successful creation, staffing (including the Assembly's appointment rights), funding, opera-

tion, execution of duties, and continuity of the DCE position.



When you do the common things in life in an uncommon way, you will command the attention of the world.
George Washington Carver

3.2. Youth Board

The Assembly may create and fund a "Youth Board" composed of and selected by community residents between the ages of 13 and 19, to serve as a liaison between Mariposa's youth and the Assembly and to empower Mariposa's youth with a voice, a sense of "belonging," and a mechanism for positively influencing their peers and others in Mariposa.

An important aspect of the Youth Board's ability to be the voice of Mariposa's youth is its composition. The best Youth Board is one that is representative of those it seeks to serve. The members of the Youth Board shall be selected from candidates solicited through Mariposa-wide publications, emails, and any other methods of reaching large portions of the Community employed by the Assembly or the Association. The Director of Community Enrichment shall compile all applications for the Youth Board. The Assembly Board, with the assistance of the Director of Community Enrichment, will then select the Youth Board members from the applications. In the process of selecting members of the Youth

Board, the Assembly Board shall include representatives from a wide variety of backgrounds, ages, hobbies, charter clubs, sports teams, and residence locations within Mariposa.

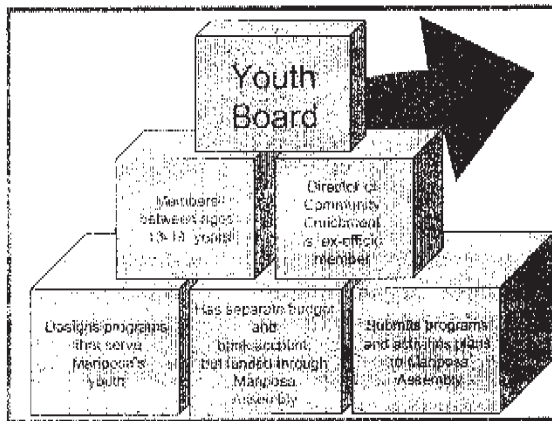
The Youth Board shall hold meetings periodically. In addition, the Youth Board may hold discussion groups or sponsor other events to foster group discussion and collective decision making. The Youth Board may request funding from the Assembly for additional services, facilities, or activities; organize and independently operate such services, facilities, or activities; communicate with the Assembly on issues of importance to the youth; or make suggestions or recommendations for community improvement to the Assembly. The Assembly shall fund the Youth Board based upon a budget created by the Youth Board. However, the Assembly may approve or reject any requested service, facility, or activity or any funding request (or may rescind any previously approved budget, service, or funding request) based upon reasonable, community-related considerations.

The Youth Board members shall select, from its own membership, an *ex officio* member of the Assembly Board and an alternate. The Youth Board member serving as *ex officio* member of the Assembly Board shall attend meetings of the Assembly Board, deliver the minutes of the most recent Youth Board meeting to the Assembly, deliver any proposed budgets or budget requests, and report on any Youth Board-related matters.

The Director of Community Enrichment shall serve as an *ex officio* member of the Youth Board, and the Youth Board shall cooperate with and assist the Director of Community Enrichment in the performance of its duties.

The Assembly Board may enact additional rules to ensure the successful formation, selection, operation, and continuity of the Youth Board, including terms of service of the Youth Board.

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3.3. Community Education and Training

In recognition of the fact that Owners, tenants, and other stakeholders who are well informed regarding their community's structure and governance and their rights and responsibilities in the community, have greater capacity to participate in civic life and in the affairs of the community, the Assembly may establish education, training, and orientation programs, including "continuing" education programs, for everyone in Mariposa. The Assembly may utilize any appropriate method to achieve these education goals, including a community intranet; learning centers, computer centers, and business centers; and coordinated activities with the DCE, one or more Assembly committees, the Assembly Board or Trustees, or the Association.

Community education may begin as early as the marketing stage or the point of sale of property within Mariposa and may include orientation classes regarding community structure and governance; the nature, extent, and purpose of the covenants, rules, and regulations; and community-building issues such as the mission for Mariposa, opportunities to participate in and affect the community's evolution and growth, and general community orientation. In addition, the Assembly may cover such topics as board election procedures, director responsibilities and duties, offi-

cers' duties and responsibilities, and committee service guidelines and training. The Assembly may also provide programming explaining the Youth Board's purpose, goals, and selection to those interested in being participants and their parents. The Assembly also may teach non-adversarial dispute or conflict resolution, negotiation, listening, team building, and other community skills designed to serve individuals in many different contexts.

Community governance education is an essential component of living in Mariposa. The Assembly should coordinate with the Association to achieve the goal of educating stakeholders as to how their community operates. Educating Owners regarding ownership rights, voting privileges, property use restrictions, assessment responsibility, community development, developer turnover or transition period, community activities, etc., should be an ongoing innovative process geared toward including residents of all ages. Governance education may be offered in the form of seminars, simple question and answer pamphlets, audio/video recordings, through the community cable channel, or through Mariposa's interactive website. The Assembly may also coordinate with nationally recognized organizations such as the Urban Land Institute or the Community Associations Institute to offer programs regarding community governance or coordinate with nationally or locally recognized speakers to provide community governance instruction and workshops.

Training for Trustees is required and shall be conducted as specified in the Assembly By-Laws. The Assembly may delegate all or any of its training, education, and orientation duties to the Association. The Assembly's expenses of training, education, or orientation, or contracts for such services from third parties, shall be Assembly Expenses.

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3.4. Volunteerism and Community Clubs

In recognition of the fact that volunteerism benefits both Mariposa and Rio Rancho, the Assembly desires to promote a strong volunteer ethic among stakeholders and encourage and facilitate the organization of volunteer organizations within Mariposa. To accomplish this end, the Assembly may grant incentives for volunteering, such as exemptions from specific program fees and public recognition of distinguished volunteers and their achievements. The Assembly also may cooperate with and support outside organizations, such as recreational leagues or cultural organizations, by making facilities available for the organization's use or sponsoring the organization's activities. Additionally, the Assembly may compile and maintain a data bank of Owners, tenants, residents, or invitees interested in volunteering and make such data available to other volunteer organizations.

In its discretion, the Assembly may establish or support the establishment of "Community Clubs" to encourage or facilitate the gathering of people to pursue common interests or hobbies. The sanctioning of a club as a "Community Club" shall confer privileges and impose responsibilities on the club and its members. For example, the Assembly may grant privileges including financial support; material support; facility use privileges, either with or without charge; priority for facility use; administrative and technical support; and liability insurance coverage.

The Assembly may grant Community Club status to any group of individuals who share a particular field of interest. Any Owner, tenant, or resident may submit a written request to the DCE to be sanctioned as a Community Club. In its discretion, the Assembly may grant or deny such request. The Assembly may fund the Community Club as an Assembly Expense and/or require that club members pay use or consumption fees for materials, facilities use, or other club expenses. The Assembly shall not, directly or

indirectly, engage in or fund others' engaging in partisan political activity.

The CEA may use computer bulletin boards, web sites, and publications to assist charter clubs and other community groups, religious groups, civic groups, youth organizations, and support groups in publicizing meetings, events, and the need for volunteer assistance. However, the Assembly may not fund the specific advertising or promotion of a charter club's events or another volunteer group's events, unless the Assembly, in its discretion, determines that such events or organizations benefit the entire community.

Volunteerism

Assembly:

- Facilitates volunteer organizations
- Supports recreational leagues and cultural organizations
- May maintain volunteer data bank
- May grant charters to Community Clubs
- Publicizes meetings, events, etc.
- Provides recognition to volunteers

3.5. Education as an Amenity

Continuing education and learning opportunities are community amenities to be enjoyed by all stakeholders, particularly adults and retirees. The range of continuing education opportunities being offered at Mariposa should be determined by resident interest, participation, satisfaction, and budget. The Assembly should make every effort to provide or provide for a variety of continuing education opportunities that reflect the diverse interests of the community and its residents, *i.e.*, finance, art, music, exercise, community wellness, environmental preservation, sports, and recreation. The Advisory Panel may provide assistance to the Assembly in determining opportunities that are desired and appropriate. The Assembly may coordinate or contract with

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local schools, civic leagues, or professional speakers or instructors to offer these continuing education opportunities. The Assembly may charge a user fee to all participants and open programs to the community at large.

The Assembly will work in cooperation with community schools to achieve educational success. The advisory panel will seek the opinions of parents, teachers, administrators, and students to make education a high priority at Mariposa. The Assembly will strive to meet the needs of parent/student stakeholders by offering a variety of services and programs, e.g., before and after school programs, tutorial programs, and holiday events. The Assembly may draw from Mariposa's databank of stakeholder volunteers to support these programs.

Learning is what most adults will do for a living in the 21st century. Perelman

3.6. Dispute Resolution

The Founder, the Association, and each Owner agree that it is in the best interest of all concerned to resolve disputes among and between the Association or any Owner and the Assembly without the emotional and financial costs of litigation. Accordingly, each of the foregoing agree that Sections 19.1 and 19.2 of the Charter relating to resolution of disputes shall also apply to resolution of any dispute arising out of the Covenant or the Assembly's By-Laws or Articles of Incorporation, subject to the same exceptions as are set forth in Section 19.1(c) of the Charter, as applicable to the Assembly and this Covenant (and substituting the Assembly for the Association in such section).

Prior to the initiation of any administrative or judicial proceeding by the Association or any Owner against the Assembly, the party initiating such action shall comply with all procedures for notice, negotiation, mediation, and settlement set forth in Section 19.2 of the Charter. This

section shall serve as an agreement by the Association and the Owners to submit their claims to such procedures, and the failure to abide by such requirements shall serve as a defense to any such administrative or procedural proceeding.

The requirements of this section shall not apply to any action by the Assembly to collect assessments or other fees or charges authorized by this Covenant, which actions may proceed in the Assembly's discretion directly without any prior procedure for claims resolution.

In our own case we accept excuses too easily, in other people's lives we do not accept them easily enough. C.S. Lewis

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Chapter 4

Connections and Community

No one can build community in isolation; community life requires private time as well as interdependence with others. Some connections are planned; others, often the best, just grow from the seeds of shared interest.

Connections within Mariposa are vital to creating community, and connections outside Mariposa are essential to building a community that is not an island alone unto itself. Promoting community spirit throughout Mariposa builds understanding and caring. That makes Mariposa an even better place to live and work.

4.1. Stakeholder Participation

Owners and residents at Mariposa are essential to community life and community success. As such, the Founder views each resident as an integral part of Mariposa and a stakeholder in Mariposa's community successes. Stakeholders are encouraged to participate, at their discretion and level of interest, in community life, events, governance, continuing education, and volunteer opportunities, and the Assembly is encouraged to provide or provide for opportunities for Owners and occupants to participate.

Hard work spotlights the character of people; some turn up their sleeves, some turn up their noses, and some don't turn up at all.

Sam Ewig

4.2. Relationship With Other Entities

(a) **General.** The Assembly may enter into cooperative agreements and expend funds for facilities use, shared services, and development of projects and activities that benefit Mariposa and communities outside of Mariposa.

(b) **Relationships With Other Nonprofit Organizations.** The Founder or the Assembly may create, and/or enter into agreements or contracts with nonprofit organizations to gain some direct or indirect benefit upon Mariposa and the surrounding community. Such organization(s) may perform a variety of services and

functions, such as educational, environmental, conservation, health, wellness, and cultural programs, benefiting Mariposa and the greater Rio Rancho area.

If the Founder or the Assembly establishes a tax-exempt entity for activities within Mariposa, the Assembly shall fund the minimum annual organizational expenses of maintaining such entity and may contribute additional money, real or personal property or services to such entity. Such expenses and any such contributions shall be an Assembly Expense. For the purposes of this section, a "tax-exempt organization" shall mean an entity exempt from federal income taxes under the Internal Revenue Code ("Code"), for example, entities exempt under Section 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

The Assembly may maintain multiple use facilities within Mariposa for temporary use by tax-exempt organizations. Such use may be on a scheduled or "first-come, first-served" basis. A reasonable maintenance and use fee may be charged for such use.

(c) **Other Third Parties.** In the Assembly Board's sole discretion, the Assembly may provide services or facilities to the general public or other people or groups who do not reside within Mariposa and charge and collect use and consumption fees for such use. The Assembly also may enter into agreements with third parties to

provide such services or facilities in exchange for financial or other consideration.

NOTES AND THOUGHTS

4.3. The Community Beyond Mariposa

As "no man is an island alone unto himself," neither is a successful community. Mariposa is an integral part of the greater Rio Rancho and Sandoval County area and shall not be closed off to neighboring residents.

Interacting with the greater Rio Rancho and Sandoval County community is an important part of the Assembly's purpose, as the Assembly is uniquely able to connect stakeholders with the City of Rio Rancho. To achieve this goal, the Assembly shall work with local governments and civic groups to promote or address local concerns and issues and create opportunities for stakeholders to become involved. This interaction will foster contributions of time and energy that will benefit both Mariposa and the larger Rio Rancho community and enrich the lives of everyone who lives, works, or plays in Mariposa.

The Assembly, at its discretion, may invite local civic and professional groups to engage in activities at Mariposa (i.e., Girl/Boy Scouts of America, 4-H, recreational youth sports leagues, Boys/Girls Clubs, Big Brothers and Big Sisters, Rotary Club, AARP, Garden Club, Junior Women's League, NAACP, Veterans Club, and school community service groups).

Opportunities multiply as they are seized.
Sun Tzu

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Chapter 5 Mariposa as a Special Place

The Founder and its design team have endeavored to create a physical presence that respects and compliments the beauty, unique attributes, and endearing qualities of the natural environment and the cultural and historical resources of the surrounding area. This respect is embodied in each stakeholder's property. The Charter and other documents address how that property is used and maintained. The Assembly does not enforce these documents, but all stakeholders benefit from them as everyone uses and enjoys Mariposa's physical features.

The Assembly owns or has use rights in property for its specialized purposes. Whether these purposes are artistic or cultural, civic or recreational, or a myriad of other activities, the property is to be used and maintained as in any quality community: with respect.

5.1. Mariposa

"Mariposa," as used throughout this Covenant, consists of the property described in Exhibit "A" and any additional property made subject to this Covenant in the future by amendment or supplement, as provided in Section 5.2. This Covenant shall run with the title to such property, binding the Founder, its successors and assigns, and all future owners of any portion of the property, their respective heirs, successors, successors-in-title, and assigns, and any other person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of such property. This Covenant shall also be binding upon the Assembly.

5.2. Expansion of Mariposa

From time to time, the Founder may submit to the terms of this Covenant all or any portion of the property described in Exhibit "B" by recording a "Supplement" describing the additional property to be submitted. The Founder may record such a Supplement without the consent of any person except the owner of such property, if not the Founder.

The Founder's right to expand Mariposa under this section expires when all property described in Exhibit "B" has been submitted to this Covenant or 40 years after this Covenant is re-

corded, whichever is earlier. Until then, the Founder may transfer or assign this right to any person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any such transfer shall be described in a recorded instrument executed by the Founder.

Nothing in this Covenant shall require the Founder or any successor to submit additional property to this Covenant or to develop any of the property described in Exhibit "B" in any manner whatsoever.

The Assembly may also submit additional property to this Covenant by recording a Supplement executed by or on behalf of the Assembly and the owner(s) of the property being submitted and by the Founder, so long as the Founder owns property described in Exhibit "A" or "B."

5.3. Additional Covenants and Easements

The Founder may impose upon portions of Mariposa covenants and easements in addition to those set forth in this Covenant, such as the Charter or other covenants creating property restrictions and assessments in favor of a property owners association. If someone other than the Founder owns the property, then the instrument imposing such covenants and easements must be

signed by such owner evidencing such owner's consent.

5.4. Ownership and Maintenance of Property

The Assembly may own and maintain real property ("Area of Assembly Responsibility") subject to the rights and powers of the Assembly as set forth in the Assembly's By-Laws and Articles of Incorporation, and any terms, conditions, covenants, or restrictions set forth in the instrument conveying such property to the Assembly.

The Assembly may enact reasonable rules and regulations governing access, use, and enjoyment of the Area of Assembly Responsibility. Every owner and the Association shall comply with such rules and regulations. In addition, the Founder or the Assembly may grant exclusive and/or non-exclusive easements over that portion of the Area of Assembly Responsibility that it owns to non-profit organizations, the operation of which confers some benefit on Mariposa and the surrounding community.

5.5. Conveyance of Property by the Founder

At any time the Founder owns any property described in Exhibit "A" or "B," the Founder may convey to the Assembly, or assign the Assembly maintenance responsibility for, improved or unimproved real estate located within Mariposa, personal property, and leasehold or other property interests. The Assembly shall accept and maintain, operate, and manage such property as part of the Area of Assembly Responsibility. The Assembly also shall perform, as an Assembly Expense, such obligations and responsibilities with respect to such property as the Founder may assign in writing.

In recognition of the fact that the Founder conveys real property to the Assembly at no cost to the Assembly, if conveyed in error or needed

to make minor adjustments in property lines, the Founder, for so long as it owns property described in Exhibit "A" or "B," may unilaterally amend this Covenant to withdraw property from its coverage and may require the Assembly to reconvey real property to the Founder or to other persons.

5.6. Conveyance of Property from Other Persons

Under negotiated terms, the Assembly may acquire and maintain improved or unimproved real estate, personal property, easements, and leasehold or other property interests from other persons.

5.7. Dedication of Area of Assembly Responsibility

Subject to the approval of and acceptance by such entity, the Assembly may dedicate, lease, grant easements in, or convey portions of any real property it owns to any local, state, or federal governmental or quasi-governmental entity, provided the Assembly Board have determined, in their reasonable discretion, that such entity has the funding source and commitment properly to maintain the dedicated property.

5.8. Easements Reserved to the Founder

There is hereby reserved to the Founder and granted to its duly authorized agents, representatives, successors, assigns, licensees, and mortgagees, a perpetual, non-exclusive easement over property the Assembly owns and over the Area of Assembly Responsibility for the use, access, and development of property depicted on the master land plan for Mariposa. This easement includes, but is not limited to, a right of ingress and egress over such property for construction of roads and for tying in and installation of utilities on such property. The Founder also reserves for itself the non-exclusive right and power to grant and record specific easements as may be necessary, in

the Founder's sole discretion, in connection with the orderly development of the property.

5.9. Facilities and Services Open to the Public

Certain facilities and areas within Mariposa which the Assembly owns or for which it has responsibility may be made available for use and enjoyment of the public. Such facilities and areas may include, by way of example: trails and paths; greenbelts; parks and other spots conducive to gathering and interaction; roads; sidewalks; and medians. The Founder may designate such facilities and areas as open to the public at the time the Founder makes such facilities and areas a part of the Area of Assembly Responsibility or the Assembly Board may do so thereafter.

5.10 Amendments to this Covenant

This Covenant may be amended unilaterally at any time by the Founder, its successors or assigns, if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any portion of the property subject to this Covenant; (c) to permit any institutional or governmental lender, purchaser, guarantor, or insurer of mortgage loans to make, purchase, guarantee, or insure mortgage loans; or (d) to satisfy the requirements of any local, state, or federal governmental agency.

Further, for so long as the Founder owns any property described in Exhibit "A" or "B," the Founder may unilaterally amend this Covenant for any other purpose, provided such amendment has no materially adverse effect upon any substantive right, privilege, or protection specifically granted to more than 2% of the Owners.

This Covenant may be amended at any time by a recorded instrument approved by the Assembly Board and the Association's board of di-

rectors. The Founder's consent shall be required to amend this Covenant for so long as the Founder owns property described in Exhibit "A" or "B." Any such instrument shall set forth the intent to amend this Covenant.

No amendment may remove, revoke, or modify any right or privilege of the Founder without the written consent of the Founder (or the assignee of such right or privilege).

Amendments to this Covenant are effective upon recordation unless a later effective date is specified. Any procedural challenge to an amendment must be made within six months of its recordation. In no event shall a change of conditions or circumstances operate to amend any provision of this Covenant.

5.11. The Covenant's Duration

(a) Unless terminated by the Founder or by the Assembly Board and the Association's board of directors in the manner as provided in this section, this Covenant shall have perpetual duration. If New Mexico law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Covenant shall automatically be extended at the expiration of such period for successive 10-year periods, unless terminated as provided below. Notwithstanding the above, if any provision of this Covenant would be unlawful, void, or voidable by reason of any New Mexico law restricting the period of time that covenants on the land may be enforced, such provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) This Covenant may be terminated at any time by a recorded instrument approved by the Assembly Board and the Association's board of directors. The Founder's consent also is required to terminate this Covenant for so long as the Founder owns property described in Exhibit "A"

or "B." Any such instrument shall set forth the intent to terminate this Covenant.

[SIGNATURES ON NEXT PAGE]

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