

DECLARATION OF
COVENTANTS, CONDITIONS AND RESTRICTIONS

Sandstone at San Juan Country Club
San Juan County, New Mexico

This DECLARATION made this ____ day of April 2024, by Sandstone at San Juan Country Club LLP, hereinafter referred to as “Declarant”:

WITNESSETH:

WHEREAS Declarant is the owner of the real property in the City of Farmington, County of San Juan, State of New Mexico, attached as exhibit A.

WHEREAS Declarant has deemed it desirable to impose a general plan for the improvement and development of said tract and all the property described herein and the adoption and establishment of covenants, conditions, and restrictions upon said real property and each and every lot and portion thereof and upon the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of said tract; and

WHEREAS, Declarant has deemed it desirable for the efficient preservation of the value, desirability, and attractiveness of said tracts and any additional property which may be annexed thereof, pursuant to the provisions of this declaration, to create a corporation to which should be delegated and assigned the powers of maintaining and administering common areas or common use area and administering and enforcing these covenants, conditions, and restrictions and collecting and disbursing funds pursuant to the assessment and charges hereinafter created and referred to; and

WHEREAS, Declarant will convey title to all of said lots in said tract subject to certain protective covenants, conditions and restrictions hereinafter set forth;

WHEREAS, it is the desire and intention of the Declarant to convey said real property described on Exhibit ‘A’ by means of deeds substantially in the form attached and marked Exhibit ‘B’, and to impose on said real property mutually beneficial restriction under a general plan and scheme of improvement for the benefit of all said property in according with this Declaration.

WHEREAS it is the desire of the Declarant to dedicate the Common Area describe in Exhibit C as the Common Area and to provide for the conveyance of the Common Area to the Home Owners Association when formed or when appropriate later.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of said lots and property describe above shall be held, sold and conveyed subject to the following covenants, conditions, restrictions and easements shall run with the said real property and shall be binding on all parties having or acquiring any right, title or interest in the described real property or any

part thereof and shall inure to the benefit of each owner thereof and are imposed upon said real property and every part thereof as a servitude in favor of each and every parcel thereof as the dominant tenement or tenements.

ARTICLE I DEFINITIONS

The following terms used in these covenants, conditions and restrictions shall be applicable to this declaration and also to any supplemental declaration recorded and are defined as follows:

Architectural Review Committee means a committee established by the Development Association or Home Owners Association to approve all development activities of any nature within.

Association shall mean and refer to Sandstone Homeowners Association, a nonprofit corporation, incorporated under the laws of the State of New Mexico, its successors and assigns.

Property and Lots shall mean and refer to all of the real property included in Sandstone at San Juan Country Club.

Common area and Common Use Area shall mean all real property provided for the common use and enjoyment of the members of the association by a use easement described on the recorded plat and attached as exhibit 'C'.

Lot shall mean and refer to a recorded lot within the existing property or any other properties annexed pursuant to this declaration, upon which there has been or will be constructed a single-family residence.

Non-Residential Lots are the lots which will contain a building used for the community, including but not limited to medical/caregiving purposes and the lot which contains the clubhouse.

Member shall mean and refer to every person or entity who holds membership in the Association.

Owner shall mean each person or entity, including Declarant, in whose name the fee title to the residence lot is vested.

Declarant shall mean and refer to Sandstone at SJCC LLP, its successors and assigns.

Deed of Trust or Mortgage shall mean the conveyance of any lot or other portion of the property to secure the performance of an obligation.

Community Completion Date shall mean the date upon which substantially all Homes in the development as ultimately planned and as fully developed, have been conveyed by Declarant to Owners

Articles of Incorporation and Bylaws shall refer to the governing documents of the Sandstone Homeowners Association which may be amended from time to time.

Age Qualified Occupant shall mean a person who is fifty-five (55) years of age or older who has designated the Home as the Age-Qualified Occupant's primary residence. Occupancy as a primary residence shall be established by the mailing address for the individual, official address on voter registration or driver's license or other means to establish legal residency under New Mexico Law.

Guest shall mean individuals who reside overnight at a Home on a temporary, transient basis at the request of the Owner without payment for compensation to or by such individual. The guest shall not include Lessees or Immediate Family Members, Occupant, or Owners and shall not include invitees who do not reside at the Home on an overnight basis.

Immediate Family Members shall mean the spouse of the Owner or Lessee and all unmarried children twenty-two years and younger of the Owner or the Owner's spouse or the Lessee or Lessee's Spouse. If an Owner or Lessee is unmarried, the Owner or Lessee may designate one (1) other person who is living with such Owner or Lessee in the Home in addition to the children of the Owner or Lessee as an adult Immediate Family Member. No unmarried child or person shall qualify as an Immediate Family Member unless such person is living with the Owner or Lessee within the Home.

Minor shall mean individuals aged seventeen (17) and younger.

Occupy, Occupies, Occupied, or Occupancy shall mean, unless otherwise specified in the Governing Documents, staying overnight in a particular Home(i) for at least ninety total days in the subject in the subject calendar year or (ii) for a period in excess of ninety consecutive days irrespective of whether such days occur in a single calendar year. The term "Occupant" shall refer to any individual other than an Owner who Occupies a Home or is in possession of a Lot or Parcel, or any portion thereof or building or structure thereon, whether as a Lessee or otherwise, other than on a merely transient basis (and shall include, without limitation, a Resident).

Qualified Occupant shall mean any person nineteen (19) years of age or older who Occupies a Home and was the original Occupant following the purchase of the Home from the Declarant; or a person of age 19 or older who occupies a Home with an Age-Qualified Occupant.

ARTICLE II MEMBERSHIP

Section 1 Membership. Every person or entity who is a record owner of a fee or undivided fee interest in, or is the lessee of, any lot which is subject by covenants of record or by lease to assessment of the Association, shall be a member of the Association. The terms and provisions set forth in this Declaration, which are binding upon all owners of all lots and members in the Association, are not exclusive, as the member shall, in addition, be subject to the terms and provisions of the Articles of Incorporation and the By-Laws of the Association. The foregoing is not intended to include person or entities who hold an interest merely as security for the

performance of an obligation. No owner or lessee shall have more than one membership per lot. Membership shall be appurtenant to and may not be separated from the fee ownership or lease of any lot which is subject to assessment by the Association. Ownership or lease of such lot shall be the sole qualification for membership.

Section 2. Transfer. The membership held by any owner or lessee of a lot shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such lot or lease, and then only to the purchaser or deed of trust holder of such lot or lease. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. Upon the sale of a lot, the owner of the lot shall transfer the membership registered in his name to the purchaser of the lot.

Section 3. Voting Rights. The association shall have two (2) classes of voting membership:

Class A. Class A members shall be all those owners as defined in Section 1 above with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each lot in which they hold the interest required for membership by Section 1. When more than one person holds such interest in any lot, all such person shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Section 1; provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) When ninety percent (90%) of the lots planned for Sandstone at San Juan Country Club are conveyed to Owners; or
- (b) When the Declarant makes the election, in its sole and absolute discretion to give written notice to the Association of its decision to cease Class B membership and retain a class A membership.
- (c) When required by New Mexico Law.

All voting rights shall be subject to the restrictions and limitations provided herein and, in the Articles, and By-laws of the Association. When the events above labeled (a),(b), or (c) happen above this shall be the Turnover Date and the Declarant shall be entitled to one vote for each lot owned moving forward. Turnover shall mean the transfer of control and operation of the Association by the Declarant to the Owners. The Turnover of the Association by the Declarant shall occur on the Turnover Date at the Turnover meeting. At the meeting, Owners shall elect a majority of the Directors. No more than sixty (60) no less than thirty (30) days prior to the Turnover meeting, the Association shall notify in writing all class A members of the date, location, and purpose of the Turnover meeting.

Section 4. Declarant Election of Director. For so long as Declarant holds at least five percent (5%) of the total number of Lots of the subdivision, Declarant, at Declarant's sole option, may elect one (1) member of the Board. Nothing herein shall require Declarant to elect or place any members on the Board after the termination of Class B membership.

Section 5. Entity Owner. In the event that an Owner is other than a natural person, that Owner shall, prior to Occupancy of the Home, designate one or more persons who are to be the Occupants of the Home and register such person with the Association. All provisions of this Declaration and other Governing Documents shall apply to both such Owner and the designated Occupants.

Section 6. Document Recordation Prohibited. Neither the Association nor any Owner, nor group of Owners, may record any documents that, in any way, affect or restrict the rights of Declarant or conflict with the provisions of this Declaration or the other Governing Documents.

Section 7. Conflicts. In the event that any conflict among this Declaration, the Articles, the bylaws or any other Governing Documents, this declaration shall control.

Section 8. Leasing of Lots. No Owner shall rent or lease his lot unless the form of lease includes the following language: Lessee agrees to be bound by and comply with the Articles, By-Laws and Declaration of Sandstone Homeowners Association, including amendments and any Rules issued by the Board of Directors of the Association.

ARTICLE III PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Common Areas. Common areas shall include, without limitation, (i) Common areas described on Exhibit 'C' attached hereto as same are depicted on the plat, (ii) Private Drainage Easements, Access and Maintenance Easements and Landscape Easements, as depicted on the Plat, (iii) all easements in favor of the Association created under the Plat, this Declaration or by separate instrument recorded in the Public Records, and such tracts and easement are hereby dedicated and granted to the Association.

Section 1A. Prior to Conveyance. Prior to the conveyance of the Common Areas to the association as set forth below any portion of the Common Areas owned by the Declarant shall be operated, maintained, and administered at the sole cost of the Association for the purposes and uses reasonably intended, as Declarant in its sole discretion deems appropriate. During such period, Declarant shall own, operate, and administer the Common Areas without conference from any Owner or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until actually constructed, completed, and conveyed to the Association. The current conceptual plans and/ or representations, if any, regarding the composition of the Common Areas are not a guarantee of the final composition of the Common Areas. No party should rely upon any statements contained herein as a representation or warranty as to the extent of the Common Areas to be constructed by the Declarant and owned and operated by the Association. Declarant, so long as it controls Association, further specifically retains the right to add to, delete from or modify any of the Common Areas referred to herein at its discretion without notice.

Section 1B. Construction of Common Areas Improvements. Declarant anticipates that it will construct, at its sole cost and expense, certain improvements as part of the Common Areas as Declarant determines in its sole discretion, which may include, without limitation, a clubhouse or community building. For the use and benefit of Declarant, Owners, Lessees, and their respective Immediate Family Members and Guests and invitees as provided in and subject

to the Governing Documents. Declarant shall be the sole judge of the composition of the Common Area improvements. Prior to Community Completion Date, Declarant reserves the absolute right to construct additional Common Area improvements from time to time, in its sole discretion, and to remove, add to, modify and change the boundaries, facilities and improvements on any part of the Common Areas. Declarant is not obligated to, nor has it represented that it will construct any Common Area Improvements. Declarant is the sole judge of the Common Area Improvements, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personal property, color, textures, finishes or changes or modification to any of them.

Section 1C. Use of Common Areas by Declarant. Until the Community Completion Date, Declarant shall have the right to use any portion of the Common Areas, without charge, for any purpose deemed appropriate by Declarant.

Section 1D. Conveyance. The Common Areas may be designated by the Plat, created in the form of easements, or conveyed to the Association by quitclaim deed or other instrument of conveyance as determined by the Declarant in its sole and absolute discretion. Association shall pay all costs of the conveyance at the Declarant's request. The designation of Common Area, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and services and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of the Common Area and other obligations relating to the Common Areas imposed herein, and Association shall, and does hereby, indemnify and hold Declarant and the Declarant Indemnified Parties harmless on account thereof. **THE COMMON AREAS, PERSONAL PROPERTY AND EQUIPMENT THEREON AND APPURTENANCES THERETO SHALL BE CONVEYED TO THE ASSOCIATION IN "AS IS, WHERE IS" CONDITION WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF SUCH COMMON AREAS PERSONAL PROPERTY, EQUIPMENT AND APPURTENANCES BEING CONVEYED.**

Section 1E Operation after Conveyance. Subject to the Association's right to grant easements and other interest provided herein, the Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas without (a) if prior to the Turnover, (1) the approval of a majority of the Board; and (2) the written consent of Declarant, or (b) from after the Turnover, (1) approval a majority of the Board; and (2) fifty-one percent (51% of the Voting Interests present (in person or by proxy)) at a duly called meeting of the Members.

Section 1F Paved Common Areas. The Common Area may contain certain paved areas. Without limiting other provision of this Declaration, the Association is responsible for the maintenance, repair and/or resurfacing of all paved surfaces, including but not limited to streets, alleyways, driveways, parking areas, pathways, bicycle paths, and sidewalks forming a part of the Common Areas, if any. Association shall have the right, but not the obligation, to arrange for a periodic inspection of all paved surfaces forming a part of the Common Areas by a licensed paving contractor and/or engineer. The cost of such inspection shall be a part of the Operation Expenses of the Association. The Association shall determine periodically the parameters of the inspection to be performed, if any. Any patching, grading, or other maintenance work should be

performed by a company licensed to perform the work and shall be an Operating Expense of the Association.

1G. Delegation. Once conveyed to the Association, the Common Areas and improvements located thereon shall at all times be under the complete supervision, operation, control, and management of the Association. Notwithstanding the foregoing, the Association may delegate all or a portion of its obligations hereunder to a licensed manager or professional management company. Declarant, its affiliates and/or subsidiaries shall have the right and option to manage Association at all times prior to turn over. Owners and Association acknowledge that it is fair and reasonable to have Declarant, its affiliates and or subsidiaries manage the Association prior to Turnover.

1H. Nonexclusive Use. Except as provided herein, the Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be Members of the Association) entitled to use those portions of the Common Areas as provided in this Declaration and subject to the Rules and Regulations applicable with respect to same. Prior to the Community Completion Date, Declarant and thereafter, Association have the right, at any and all times, and from time to time, to further additionally provide and make the Common Areas available to other individuals, persons, firms, or corporations, as it deems appropriate. The Granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder.

ARTICLE IV

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

If any building or improvement on a Lot shall encroach upon another Lot by reason of original construction by Declarant, then an easement for such encroachment shall exist so long as the encroachment exists. Lots may contain improvements that pass over and underneath an adjacent Lot. A perpetual nonexclusive easement is herein granted to all such improvement and to permit any natural water runoff from roof overhangs, eaves and other protrusions unto an adjacent Lot.

ARTICLE V

RESTRICTIONS AFFECTING OCCUPANCY AND ALIENATION

Section 1 Restrictions on Occupancy. Subject to the rights reserved to Declarant, the Lots within Sandstone at San Juan Country Club are intended for the housing of persons fifty-five (55) years of age or older. The provisions of this section are intended to be consistent with and are set forth in order to comply with the Fair Housing Amendments Act, 42 U.S.C. 3607(b)(1) and (b)(2)(c) and the regulations promulgated thereunder (collectively, as may be amended, the "Act") allowing discrimination based on familial status. Declarant or the Association, acting through the Board, shall have the power to amend this Section, without the consent of the Members or any person or entity except Declarant, for the purpose of maintaining the age restriction consistent with the Act, the regulations adopted pursuant thereto and any related judicial decisions in order to maintain the intent and enforceability of this section. Sandstone at San Juan Country Club will continue to qualify and be operated as housing for person fifty-five (55) years of age and older pursuant to the Act and persons under the age of nineteen (19) years shall be prohibited from

Occupying Homes in Sandstone at the San Juan Country Club for a period of no less than thirty (30) years from the date of recording this Declaration.

Section 1A Each occupied Home shall at all times be Occupied by at least one person fifty-five(55) of age or older; however, in the event of the death of a person who was the sole Occupant fifty-five (55) years of age or older of a Home, any Qualified Occupant may continue to Occupy the same Home as long as the provisions of the Act are not violated by such Occupancy.

Section 1B No person under the age of nineteen (19) shall Occupy a Home. Anyone under the age of nineteen (19) is allowed to visit the Lots or Homes, provided that someone nineteen (19) or older supervises the person at all times. The visit shall not extend longer than four (4) weeks.

Section 1C. Nothing in this Section shall restrict the ownership of or transfer of any Lot; provided, no Owner under the age of fifty-five (55) may Occupy a Home until the requirements of this Section are met nor shall any Owner permit Occupancy of the Home in violation of this Section. Owners shall be responsible for including a statement that the Lots within Sandstone at San Juan Country Club are intended for the housing of persons fifty-five (55) years of age or older and that Occupancy by any person under the age of nineteen (19) is prohibited, as set forth in this Section, conspicuous type in any Lease Agreement or other occupancy agreement or contract of sale relating to such Owner's Lot, which agreements or contracts shall be in writing and signed by the Lessee or purchaser and for clearly disclosing such intent to any prospective Lessee, purchaser, or other potential occupant of the Lot. Every Lease Agreement for Lot or Home shall provide that failure to comply with the requirements and restriction of this Section shall constitute a default under the Lease Agreement.

Section 1D. Any Owner may request in writing that the Board make an exception to the requirement for an Age-Qualified Occupant of this Section with respect to a Home on his or her lot, based on documented hardship. The Board may, but shall not be obligated to, grant exceptions in its sole discretion, provided that all of the requirements of the act would still be met and further provided that no exception to 1B shall be granted.

Section 1E. In the event of any change in Occupancy of any Home, as a result of a transfer of title, a lease or sublease, a birth or death, change in marital status, vacancy, change in location of permanent Home, or otherwise, the Owner of the Home shall immediately notify the Board in writing and provide the Board the names and ages of all current Occupants of the Home and such other information as the Board may reasonably require to verify the age of each Occupant required to comply with the Act. In the event that an Owner fails to notify the Board and provide all required information within ten (10) days after a change in Occupancy occurs, the Association may levy monetary fines against the Owner and the Lot for each day after the change in Occupancy occurs until the Association receives the required notice and information, regardless of whether the Occupants continue to meet the requirements of this Article, in addition to all other remedies available to the Association under this Declaration and New Mexico Law.

Section 2- Sales by Declarant. Notwithstanding the restriction set forth in this Section, Declarant reserves the right to sell Lots and Homes for Occupancy by Persons between forty-five (45) and fifty-five (55) years of age; provided, such sale shall not affect the Community's compliance with all applicable State and Federal laws under which the Community may be developed and

operated as an age-restricted community, including (a) requirements that a minimum percentage of Homes be Occupied by at least one Age-Qualified Occupant as required under the Act or any other State and Federal Laws and (b) the prohibition on Occupancy of any Home by any person under the age of nineteen (19) as provided in Section 1B above.

Section 3- Monitoring Compliance: Appointment of Attorney-in-Fact. The Association shall be responsible for maintaining records to support and demonstrate compliance with the Act. The Board shall adopt policies, procedures and rules to monitor and maintain compliance with this Section and the Act, including policies regarding visitors, updating the age records, the granting of exemptions to compliance and enforcement. The Association shall periodically distribute such policies, procedures and rules to the Owners and make copies available to Owners, their Lessees and Mortgagees upon reasonable request.

Section 4 Enforcement. The Association may enforce this Section V in any legal or equitable manner available, as the Board deems appropriate, including, without limitation, conducting a census of the Occupants of Homes, requiring that copies of birth certificates or other proof of age for one new Age-Qualified Occupant per Home be provided to the Board on a periodic basis, in its sole discretion, taking action to evict the occupants of any Home which does not comply with the requirement and restrictions of this Section. Association's records regarding individual Members shall be maintained on a confidential basis and not provided except as legally required to governing authorities seeking to enforce the Act. Each Owner shall fully and truthfully respond to any Association request for information regarding the occupancy of the Home on his or her Lot which, in the Board's judgment, is reasonably necessary to monitor compliance with this Section. Each Owner hereby appoints the Association as its attorney in fact for the purpose of taking legal or equitable action to dispossess evict or otherwise remove the occupants of any Home on his or her Lot as necessary to enforce compliance with this Section.

Section 5 Owner Compliance and Indemnity. Each Owner shall be responsible for ensuring compliance of its Lot with the requirements and restrictions of this Section and the Association rules adopted hereunder, by itself and by its Lessees and other occupants of its Lot and Home. Each Owner, by acceptance of title to a Lot or Home agrees to indemnify, defend and hold Declarant, and any affiliate of Declarant and the Association harmless from any and all claims, losses, damages and causes of action which may arise from failure of such Owner's Lot to so comply. Such defense costs shall include, but not be limited to, attorney fees and costs.

Section 6 Household Composition. The Association shall not interfere with the freedom of Members and Residents to determine the number of Qualified Occupants within a household, except that it may limit the total of Persons entitled to occupy a Home based upon the size of the Home (based on such factors as the number of bedrooms), not to exceed the number permitted under current zoning ordinances and limit the number of occupants per household who have full privileges as Members to use of the Common Area.

Section 7 Effect of Conflicting Terms. In the event of any conflict between the terms, covenants and provisions of this Section and other terms, covenants or provisions of this Declaration, as same may be amended or supplemented, and the terms, covenants and provisions of the Governing Documents, Title Documents or other agreements or covenants affecting Sandstone at

San Juan Country Club that may be hereinbefore or hereinafter entered into and or recorded in the Public Record, the terms, covenants and provisions of Article V shall control.

Article VI

OCCUPANCY AND USE OF UNITS AND COMMON AREA

Section 1 Residence Units. Each Unit shall be used as a residence for single family and for no other purpose.

Section 2 Common Area. There shall be no obstruction of the Common Area, nor shall anything be altered or constructed in or removed from or stored in the Common Area without the written consent of the Association.

Section 3 Insurance. Nothing shall be done or kept on any Lot or in the Common Area which will increase any applicable rate of insurance, without written consent of the Association. No Owner shall permit anything to be done or kept in on a Lot or in the Common Area which will result in the cancellation of insurance on any residence lot or any part of the Common Area, or which would be in violation of any law. No waste will be committed in the Common Area.

Section 4 Signs. No signs of any kind shall be displayed to the public view on or from any Lot or the Common Area, without the prior consent of the Association; provided however that nothing herein shall be deemed to prohibit the display of signs no bigger than 600 square inches advertising any Lot for sale, for rent or lease.

Section 5 Nuisances. No noxious or offensive activity shall be conducted in or on any Lot or in the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners.

Section 6 Annoying Lights, Sounds, or Odors. No lights shall be emitted from any Lot which are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any Lot which is unreasonably loud or annoying; and no odor shall be emitted from any Lot which is noxious to others.

Section 7 Excavations. No excavation for stone, gravel, or earth shall be made on any Lot, except for walls, basements, or cellars of the buildings, provided however that the Declarant reserves the right at any time to excavate and grade on said tract or any lots thereof then owned by the Declarant and to remove material from or deposit material on said Lots in connection with the work of laying and improving the Project.

Section 8 No Temporary Dwellings. No tent, shack, trailer, camper, bus, mobile home, automobile, truck, pickup, basement, or garage shall at any time be used on any Lot or the Common Area as a residence, temporarily or permanently, and no dwelling of a temporary character shall be permitted.

Section 9 Laundry. No clothes, sheets, blankets, or other articles shall be hung out to dry on any part of a Lot or Common Area.

Section 10 Landscaping and Swimming Pools. All home site plans submitted to the ARC for approval must include a complete landscaping plan including a date of completion. Approved landscaping must be completed on or before the approved completion deadline or Lot owner shall be subject to fines as provided in this Declaration. Exceptions to this requirement may be granted in the case of seasonal restrictions. Requests for relief in this regard must be approved in writing by the ARC. Any changes to be approved plan must be presented to the ARC for approval. Any unapproved changes made to the landscaping without ARC approval may be subject to removal or modification at the owner's expense. The location of swimming pools must be within the building set-back lines.

All landscaping and maintenance thereof is the responsibility of the Unit/Lot Owner. Landscaping shall be maintained in a manner that is attractive and harmonious with the other homes and area in Sandstone at San Juan Country Club as determined by the ARC or the Homeowners association.

In the event that the ARC or the Homeowners Association, determines that an Owner does not comply with this section within ninety (90) days from delivery of notice of non-compliance, the ARC or the homeowners Association may contract/complete the necessary work and access the Owner as governed by this Declaration.

Section 11 Parking. Parking on streets will be permitted only in designated areas. Parking on the streets is prohibited in all other areas to allow proper fire and emergency access. The Homeowners Association as well as the City of Farmington shall have the authority to remove any vehicles where necessary for the health, welfare and safety of the homeowners and their guests.

Abandoned or inoperable automobiles or vehicles of any kind, or sizeable parts thereof, except as hereinafter provided, shall not be stored or parked on any portion of Sandstone at San Juan Country Club. Abandoned or inoperable vehicle shall be defined as any vehicle that does not have a current valid registration and/or cannot be operated under its own power. No campers, motor homes, recreational vehicles, boats, or trailers shall be parked or stored on any part of the property except in a garage. All unsightly or oversized vehicles, snow removal equipment, lawn mowers, garden maintenance equipment, and any other equipment and machinery may be required by Declarant or the Association to be stored at a designated location or locations within the Sandstone at San Juan Country Club or removed.

Section 12 Storage. No occupant or Owner shall store or permit to be stored upon the lot such quantities of manure, composting material and decaying vegetation matter in such large quantities as to constitute an injury to the person or property of any other Owner. No building material of any kind or character shall be placed or stored upon any Lot until the Owner is ready to commence improvements and all excess building material must be removed from the Lot within a reasonable period of time after completion.

Section 13 Destruction of Trees. Except where necessary in the erection of a dwelling or a garage or for road approaches thereto, no trees presently growing on the Common Area shall be cut down or mutilated without the written consent of the Association.

Section 14 Grounds Maintenance. Before and after homes are built, the respective Association shall have the authority and duty to cause the grass, weeds and vegetation to be cut, trimmed or mowed at regular intervals so as to maintain same in a neat and attractive manner, and to have dead trees, shrubs and plants removed from any Lot, and the Owners of such properties shall be assessed by the respective Association to cover the cost of such work.

Section 15 Exterior Maintenance. The exteriors of all buildings, structures and improvements shall be maintained in a neat and attractive condition by Owners. The respective Association shall have the right as hereinafter provided to maintain said exteriors if the Owners fail to do so and the Owners of each of said Lots shall be assessed by the respective Association for the cost of said maintenance work as hereinafter provided.

Section 16 Garbage and Refuse Disposal. No trash, ashes or other refuse or debris may be thrown, dumped, stored or accumulated on the Lot. The burning of refuse out-of-doors shall not be permitted. No incinerators or other devices for the burning of refuse indoors shall be constructed, installed or used by any person except as approved by the respective Association. Waste materials, garbage, and trash shall be kept in sanitary containers and shall be enclosed and screened from public view and protected from disturbance and shall be disposed of with reasonable promptness. The owner of any Lot shall keep the premises free of trash, refuse, and debris of any kind, whether the Lot is vacant or occupied.

Section 17 Antennas and Satellite Dishes. No external tower or antenna except satellite dishes and computer satellite dishes and antennas shall be allowed on any Lot or affixed to any part of the property without the written approval of the ARC. No satellite and computer antenna or dish larger than one meter in diameter shall be placed, allowed or maintained upon any portion of a Lot. Antennas and dishes one meter or less in diameter may be authorized and approved if installation is located in the least conspicuous location available on the Lot which permits reception of an acceptable signal. Reasonable landscaping or other screening may be required by the ARC to reduce the visual impact of the equipment to the extent that such equipment is visible from the street, adjacent Lots, and any other area in Sandstone at the San Juan Country Club.

Section 18 Pet and Animals No animals or poultry of any kind other than house pets shall be kept or maintained on the Lot or the Common Area. A house pet is defined as a pet that normally spends the night inside a residence or garage. The Association may adopt a stringent leash covenant requiring any pets to be kept on a leash while in the Common Area; and the Association may adopt appropriate penalties for violation.

No pets shall be allowed to run loose at any time on any of the common areas, golf course and San Juan Country Club property. Pets are the responsibility of the Lot Owners. Owners shall immediately clean up after their pets. Pets must be kept in fenced yards and on a leash when in the common area and in the golf course and in San Juan Country Club property. Pet owners shall be responsible for damages to common areas or any part of the golf course caused by pets.

ARTICLE VII
BUILDING REQUIREMENTS

Section 1 Building Start Date. Every lot owner must have their plans approved by the ARC and begin building upon their lot within 180 days of purchasing the lot or they will face a daily fine of \$500 per day. Once construction has started the Lot owner has 270 days to attain a Certificate of Occupancy and if this does not occur will be subject to daily fines in the amount of \$500 per day. This timeline can be extended by request due to hardship by the Home Owners Association, but the Association is not required to grant such a request.

Section 2 Building Location. No buildings/structure shall be located on any Lot nearer than twenty-five (25) feet from the front property line for the garage portion of the residence and nearer than twenty (20) feet from the property line for the house/residence portion of the structure. All rear yards will maintain a minimum setback of twenty-five (25) feet from the rear property line. A minimum set back of five (5) feet will be observed for each sided property line.

All walls, fences, planters and other obstructions on any Lot where permitted must be approved by the ARC prior to commencement of construction. Due to various and peculiar constraints of some Lots, variances to set back requirements may be authorized, approved and granted by the ARC. All construction/building variances must be approved in writing by the ARC in advance of commencement of construction work.

Section 3 Building/ Residence Size: No residence shall be erected having less than 1,800 square feet of heated finished living area excluding the garage area. Each site shall be built with consideration of “easy access” and “comfortable and roomy living” to accommodate the lifestyle of occupants aged 55 and over. Each site shall only be one story. In cases where the build site does not have the sufficient size to allow for minimum requirements, approval for variances may be obtained from the ARC.

Section 4 Building Type and Use. No building site shall be used for any purpose other than a detached single-family residence. All residences shall have at least a two-car garage, as well as a golf cart garage. If a golf cart garage is impractical due to the size of the lot, then a minimum of one bay of the two car garage must be oversized sufficiently to accommodate a golf cart (plus the original square footage to accommodate one standard-sized vehicle). All residences shall have off-street, driveways with paved parking, that will accommodate at least two (2) cars in addition to the required garage space.

Additional structures such as guest houses, cabanas, vehicle covers, sheds, etc may be allowed subject to approval of the ARC.

Section 5 Golf Cart Garage. Each residence must have a golf cart garage or garage space sufficient to accommodate a golf cart (see Article VII, Section 4). Prior to construction, modification, or repair all building plans must be approved by the ARC.

Section 6 Exterior Building Material, Finishes and Colors. The exterior of all structures including but not limited to the residence, garages, walls, etc. shall be finished in materials and colors as approved by the ARC. Prior to construction, it is the responsibility of the Lot Owners and /or Contractors to obtain current requirement checklist from the ARC.

Flat roofs are allowed subject to the following condition: Any portion of a flat roof that is visible from any location in said Sandstone at San Juan Country Club shall be covered by appropriate material as determined by the ARC (i.e. no finished roof surfaced shall be allowed to reveal any black roofing tar).

All other roofs are required to have approved concrete, shingles, tile or concrete slate roofing material and colors that are harmonious with the surrounding area and existing structures as determined by the ARC.

Exterior finish materials may be stucco, brick, or stone. Wood surfaces shall not be allowed. Color finishes for the exterior shall be harmonious with the surrounding areas and existing structures of Sandstone at San Juan Country Club as determined by the ARC.

Section 7 Rules. The Association shall have the power to adopt reasonable rules for the regulation of the occupancy and use of the Lots and common area, provided that such rules are approved by 66 2/3% of the voting power of the respective Association. Written copies of such rules and any schedule of fines and penalties shall be furnished to the Owners.

Section 8 Fines. The Association shall have the power to adopt a schedule of reasonable fines and suspend a Members' voting rights for violation of the terms of this Declaration, including the non-payment of assessments and fines, and for violations of any rule adapted pursuant to this Declaration, provided that such schedule is approved by 66 2/3% of the voting power of the Association, and provided further that no voting right shall be suspended without having first afforded the Owner affected a hearing before a meeting of the respective Association membership or the entire Board of the respective Association.

Article VIII

PRESERVATION OF THE CHARACTER OF THE PROJECT

Section 1 Waiver of Partition and/or Subdivision. There shall be no judicial partition and/or subdivision of the Common Area and/or any one or more Lots; nor shall the Association sell, encumber or hypothecate the Common Area; nor shall Declarant or any person acquiring any interest in Sandstone at the San Juan Country Club or any part thereof seek any judicial partition and/or subdivision thereof; provided, however, that if any Lot shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing contained therein shall be deemed to prevent a judicial partition as between such co-tenants so long as such judicial partition does not result in any physical partition.

Section 2 Severability. No Owner shall in any way sever his or her Lot from his or her membership in the respective Association.

Section 3 Use Restrictions. The Common Area shall be preserved as open space and roads and used for recreational purposes and other purposed incidental and ancillary to the use of the Lots and the Common Area shall be continuously maintained pursuant to the terms of this Declaration for the exclusive use and benefit of the membership in the Association.

Section 4 Building Restrictions. No building or other substantial improvement which may in any way conflict with the use set forth in this Declaration shall be construed upon the common area.

ARTICLE IX
ASSOCIATION

This section shall consider the prior provisions above which have different requirements prior to the Turnover date. If not in conflict with earlier provisions or after the Turnover Date the below applies.

Section 1 Powers and Duties. The Association shall perform each and every duty required of it by its Declaration and the Articles of Incorporation and Bylaws.

Section 2 Enforcement. The Association shall have the duty to enforce the provisions of this Declaration, including the duty to see to enjoin any breach or threatened breach of any of the provisions, and to pay all costs of any such action or other enforcement procedure.

Section 3 Taxes. Except those separately assessed and charged to the Owners, the Association shall have the authority and duty to pay all taxes and assessments, if any, levied against the Common Area or Lots within it association.

Section 4 Improvements. The Association shall have authority and power to construct, improve, repair, maintain and reconstruct any and all improvements on and over or under the Common Area not inconsistent with this Declaration, and appropriate for the use and benefit of the members of the Association, and to charge for the use thereof.

Section 5 Exterior Maintenance, Interior Maintenance. The Association shall have the exclusive authority, right, power and duty to undertake painting, maintenance, repair of the improvements and all landscaping of the Common Area and such furnishing and equipment for the Common Area as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same except as expressly otherwise provided herein. Only the Association shall have the right to contract for such work which is the duty of the Association, and the Owners shall have no right to contract for such work.

The Owner of each Lot shall be fully responsible for the sole cost and expense for all maintenance and repair other than that which is the duty of the Association as set forth in this Declaration; and the Owners shall be responsible for any structural repair, and all maintenance and repair of any and all internal walls, fixtures, and installations within the dwelling such as cabinets, shelves, windows, appliances, light fixtures, air conditioners, sanitary facilities, water heaters, and garbage disposals. Replacement of any structure following partial or total destruction due to fire or other acts of God or Man shall be the responsibility of the Owner.

Section 6 Miscellaneous. The Association shall have the authority and duty to acquire and pay for any other materials, supplies, furniture, labor services, maintenance, repairs, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay for pursuant to the terms of this Declaration and Bylaws or which in its opinion shall be necessary or proper for the operation of the Sandstone at the San Juan Country Club or the enforcement of the Declaration.

Section 7 Maintenance of Dwelling. The Association shall have the power and duty to undertake the maintenance and repair of any Lot, if such maintenance or repair is reasonably necessary in the opinion of the Association to protect the Common Area or preserve the appearance and value of Sandstone at the San Juan Country Club, and the Owner or Owners of said Lot have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association and said Owner or Owners provided that the Association shall levy a special assessment against the Lot of such Owner or Owners for the cost of said maintenance or repair.

SECTION X ASSESSMENT

Section 1 Maintenance Assessments. The Association shall assess each Lot Owner, prorated on a Lot basis, for cost of maintenance and repair of the Common Area, for work on lots as provided in this Declaration, and for the costs of such other services, labor, materials, equipment and supplies and other items and things as the Association is empowered to acquire or retain.

Section 2 Annual Assessment. The Association shall assess each Lot Owner, prorated on a Lot basis, for the estimated cost of maintenance and repair of the Common Area and for the costs of such other services, labor, materials, equipment and supplies and other items and things as the Association is empowered to acquire or retain. Annual assessments are payable monthly in advance, with the payment due on the first day of each month. An Owner may pay less frequently provided that payment for the entire period being paid is paid in advance. An Association may not, without the vote or written consent of a majority of the eligible votes of its members, other than Declarant, impose an annual assessment which is more than 20% greater than the annual assessment for the immediately preceding year, provided that there was an annual assessment in the preceding year. The initial annual assessment for the Association must be approved by a majority vote of the Voting Power of the Association.

Section 3 Determination of Annual Assessment. The Association through its governing board in accordance with this Article, estimate an annual assessment period (1) those sums which will be required during the next annual assessment period for routine maintenance and repair (denominated ‘current costs’), and (2) those sums which will be required beyond the next succeeding annual assessment period for major improvements and expenditures planned for after the next succeeding assessment period (denominated ‘future costs’). The Association shall assess each Owner for (1) Owner’s proportionate share (based upon their Lot as a proportionate share of the total number of Lots for assessment purposes) of the ‘current costs’ and (2) Owner’s proportionate share of the ‘future costs’ determined to be payable during the next succeeding annual assessment period. The amounts so separately assessed and paid by Owner for ‘current costs’ and ‘future costs’ shall be segregated on the books of the Association. When estimating the annual assessment, the board may take into consideration any excess balances from prior years. Included in this assessment amount shall be any assessment owed to HOA2 for the road sharing fee and San Juan Country Club for membership.

Section 4 Special Assessments. The Association may, from time to time, levy special assessments against each of its Lots, prorated on a Lot basis, as may, in its judgment, be required for the purpose of defraying, in all or in part, the unbudgeted costs, fees, and expenses for any

construction, repair, demolition, replacement, or maintenance of its respective Common Area. An Association may not, without the vote or defray the costs of any action or undertaking on behalf of the Association that in the aggregate exceed 25% of the budgeted gross expenses of the Association for the current annual assessment period or to San Juan Country Club for Membership.

Section 5 Individual Assessments. The Association shall levy individual assessments against individual Lots for work on those Lots as provided in this Declaration, for all fines to which its Owner is subject as a result of violation of the terms of this Declaration, or any rules prescribed by an Association, and for any other liability, indebtedness or other obligation of the Owner to an Association arising under any provision of this Declaration or otherwise.

Section 6 Costs and Interest. In addition to the foregoing assessments, each Unit shall also be assessed from time to time, costs (including reasonable attorneys' fees) incurred in collecting the foregoing assessments and interest at the rate of 18% per year for the late payment of such assessments.

Section 7 Payments. The Association shall inform each Owner in writing of all assessments against its Lot. The Annual assessment shall be payable in equal monthly installments on the first day of each month of the year to which such assessment pertains or on such other basis as the Association may direct and shall be considered late and subject to interest in accordance with the Costs and Interest section above, if payment is not received by the last day of the month for which the assessment was due. Special and individual assessments shall be payable in full on the first day of the first month next following the date on which the Owner is informed of such assessment, and are also subject to interest in accordance with Costs and Interest section above, unless other provision is made.

Section 8 Personal Obligation of Assessments. Every Owner, by acceptance of the Deed or other instrument of transfer of its Lot (whether or not it shall be so expressed in such Deed or other instrument of transfer) is deemed to personally covenant and agree, jointly and severally with each other Owner and the Association, and hereby does so covenant and agree, to pay to the Association the annual assessment, special assessments, and individual assessments applicable to its Lot; such assessments to be established and collected as provided herein. No Owner may waive or otherwise escape personal liability for the payment of the assessment by non-use of the Common Area or by abandonment or leasing of its Lot.

Section 9 Use of Assessment. All assessments levied pursuant to this Article shall be used exclusively for the purpose of promoting the general welfare of the Owners including the purposes of maintaining the Common Area and for work on the Lots as provided in this Declaration. Proper uses of the assessments levied by the Association shall include, but are not limited to, the expenditure of funds for taxes, fees, expenses, charges, levies, premiums, or other costs of the Association.

ARTICLE XI
PROVISIONS FOR ROAD SHARE AGREEMENT
Will add any necessary language here and change title of article

ARTICLE XII

LIENS

Section 1 General. The amount of all assessments, plus charges such as interest, legal or other costs and fines, as may be provided for in this Declaration, shall be and become a lien upon the Lot assessed when the Association records with the County Clerk of San Juan County, New Mexico, a notice of assessment, which shall state the amount of such assessment and such other charge as may be authorized by this Declaration, a description of the Unit against which the same have been assessed and the name of the record Owner. Such notice shall be signed by an authorized representative for the Association.

Section 2 Foreclosure. Such lien may be foreclosed in the same manner provided for the foreclosure of mortgages as allowed by New Mexico law applicable to the foreclosure of mortgages, or in any other manner permitted by law. The Association shall have power to bid on the property at foreclosure sale and to hold, lease, mortgage and convey the same.

ARTICLE XIII

INSURANCE

Section 1 General. The Association shall purchase, carry and at all times maintain in force, insurance covering the Common Area, the interest of the Association and of all Owners and their mortgagees, as their interest may appear, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to the property being insured. The insurance shall include but not be limited to:

- a. Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in the amount which will be equal to the maximum insurable replacement value, excluding foundation and excavations costs, as determined annually by the insurance carrier.
- b. Public liability and property damage insurance on the broad form basis, including insurance covering vandalism and malicious mischief.
- c. Directors' and officers' liability insurance.
- d. Workmen's Compensation and employers' liability insurance to the extent necessary to comply with all applicable laws.
- e. Such additional insurance as the Board, in its business judgment determines advisable.

Section 2 Application for Proceeds. The payment and the application of the insurance proceeds from any policy obtained by the Association or from any loss payable endorsement, shall be as follows:

- a. For damage to or destruction affecting the Common Area, all insurance proceeds shall be paid to the bank (hereinafter referred to as the "Insurance Trustee") designated by the Association to be held in trust for the benefit of the Owners, their mortgages or the Association, as their interest may appear; provided, however, that proceeds of \$1,000 or less will be paid to the Association to be used by it for the repair or reconstruction of the damage or destruction for which the proceeds related. The Association is authorized on behalf of the Owners, to enter into an agreement

with the Insurance Trustee relating to the powers and duties of said Trustee as the Association may approve. The Trustee may apply any proceeds to the repair or reconstruction of the damage or destruction to which the proceeds relate.

- b. In any case in which proceeds of insurance exceed the costs of repair or reconstruction in which such proceeds relate, the excess shall be turned over or retained by the Association and shall be used by the Association to operate and maintain Sandstone at San Juan Country Club in accordance with its duties.

ARTICLE XIV EASEMENTS

Section 1 Encroachments. Reserved for the benefit of each Lot is an easement of maintenance, repair and use of which the entire project is subject, for any and all encroachments resulting from roof overhangs and any other causes attributable to the design and construction of improvements on each Lot and any and all encroachments resulting from construction errors, lateral shifting or settlement or any other cause and any and all encroachments resulting from construction of sewer, water and electrical lines and other utilities.

Section 2 Ingress, Egress and Support. An easement for ingress and egress and support through the Common Area is appurtenant to each Lot and is also given to the Association and the Common Area is subject to such easements. The Association is given an easement for ingress and egress on each Lot for the purpose of doing work on Lots within the Association as provided in this Declaration.

Section 3 Utilities. An Easement is reserved over, under and through each Lot and the Common Area for installation, maintenance and repair of each and every utility service, including but not limited to garbage, sewage, water, gas, electricity, telephone, internet, and television cable service. Each easement shall not be public unless consented to in writing by the Association, but shall be for the exclusive use of the property described in Exhibit A, and may be used by the City of Farmington and the respective servicing utilities fully and adequately for the premises, and solely for such premises.

Section 4 Easement. In the event that there shall be located within any Lot pipes, vents, outlets, wires, or other structures serving more than one Lot, the Owner of Lots so served shall have and enjoy a perpetual easement to the maintenance, repair and use of any such pipe, vent, outlet or other structure.

ARTICLE XV REPAIR AND RESTORATION

Section 1 General. The Association and the Owners obligated to maintain, repair and restore as set forth below, provided that all expenses to the extent covered by insurance shall be paid from insurance proceeds.

Section 2 Owners. The Owners of each Lot shall at their expense maintain, and in the case of damage or destruction repair or restore the residence except for repairs which are the duty of the Association. All such repair or restoration shall be done substantially in accordance with the

original plans and specifications, or in accordance with any modification thereof as approve by the Association.

Section 3 The Association. The Association shall have the obligation at its expense and in case of damage or destruction shall repair or restore at its expense, the Common Area and all improvements and on Lots as provided in this Declaration. However, if it can be conclusively determined that an Owner has caused the damage or destruction to the Common Area or to other Lots, then the Owner shall be responsible for the cost of repair or restoration.

Section 4 Election not to Build. If any portion of the Common area is damaged or destroyed and the damage exceeds the available insurance proceeds offered or paid by the insurer by the sum of five thousand dollars (\$5,000) or more, then the Board for the Association shall obtain firm bids (including an obligation to obtain a performance bond) from at least two reputable contractors to rebuild the area in accordance with its original plans and specification and shall, as soon as possible call a special meeting of the Owners to consider such bids. If the Board fails to do so within sixty (60) days after the damage occurs, any Owner may obtain such bids, and call and conduct such meeting as provided. Failure to call this meeting within twelve (12) months from the date such damage occurred will be deemed for all purposes a decision not to rebuild. At such meeting, the Owners may by 662.3% vote elect to reject all of the bids and thus not to rebuild. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable.

If a bid is to be accepted, the Board shall levy a special assessment in proportion to the interest of each Owner in the pro-rata interest in the Association, to make up any deficiency between the total insurance proceeds and the contract price for such repair or rebuilding, and such assessment and all insurance proceeds whether or not subject to liens of mortgagees, shall be paid to the insurance trustee to be used for such rebuilding. If any Owner shall fail to pay the special assessment within thirty days from the levy thereof, the Board shall make up the deficiency by payment from the maintenance fund; but the payment from the maintenance fund will in no way relieve an Owner from the obligation to pay said special assessment. Upon payment, the Board shall let the contract to the successful bidder.

Apportionment of Expenses. If two or more Owners cannot agree on the apportionment of expenses of repair, they shall be conclusively apportioned by the Association.

Section 5 Liens. If the Association undertakes any work required in this section requires an Owner to undertake, the Association shall access the Lot of the Owner for such work and shall so inform the Owner thereof in writing; provided, that the assessment shall be reduced by the amount of any insurance proceeds paid to the Association as a result of the destruction to the residence or landscaping on the residence lot. Such an assessment shall be a lien upon the Lot as provided in this Declaration.

ARTICLE XVI ARCHITECTURAL CONTROL

Section 1 Architectural Review Committee. The Association shall have an Architectural Review Committee (ARC) whose duty and authority shall be to insure that no construction of residences, buildings, fences, walls, landscaping or any other structures shall be commenced, erected, altered

or placed on any Lot or Common Area, nor shall any exterior additions of any kind, repairs, modifications, changes, or alterations therein be made, including fences and signs until the building plans, specifications and plot plans showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the committee. If necessary the Declarant can create a preliminary ARC until the Association has formed their ARC committee.

Section 2 Committee Makeup. The Committee shall be composed of not less than three (3) and not more than five (5) members. Members of the Committee shall be chosen in the manner determined by Declarant or the Board of the Association depending on turnover date. The term of all members shall be for a period of one year or until replaced by the appointing authority.

Section 3 Duties of the Committee. The duties of the Committee shall be to approve all development activities of any nature within the Association areas including initial construction on Lots and Common Areas. And thereafter any and all repairs, modifications, alterations, additional of any kind to the existing improvements including but not limited to all Lots, fences, signs, landscaping, and Common Areas. It shall be the responsibility of the Developer or Owner to submit complete plans and specifications to the committee showing all details including dimensions, shape, color materials, and location of any construction, repairs, modifications, alterations or additions prior to commencement. In the even the Committee fails to approve or disapprove such plans or specifications within forty-five days after such submission, approval will not be required, and this Article will be deemed to be fully complied with.

ARTICLE XVII TERM

This Declaration shall exist and be binding for a period of twenty (20) years from the date hereof; provided that these covenants and any provisions within may be terminated, extended, modified, or amended as to the whole of this project or any portion thereof, with the written consent of holders of 66 2/3 % of the total votes that can be cast by Association members, such termination, extension, modified or amendment shall be effective when an instrument signed by the required number of owners is recorded in the office of the County Clerk of San Juan County, New Mexico. The term of this Declaration shall be automatically extended for successive ten (10) year periods following the original twenty (20) year period, unless a notice of termination is executed by holders of 66 2/3% of the total votes that can be cast by the Association members. No such termination, extension, modification, or amendment shall be effective until a proper instrument has been executed and acknowledge and record in the offices of the County Clerk of San Juan County, New Mexico.

ARTICLE XVIII MORTGAGEE PROTECTION

Section 1 Introduction. This Article establish certain standards and covenants that are for the benefit of the holders, insurers, and guarantors of certain security interests. This Article is supplemental to, and not in substitution for, any other provisions of the Declaration, but in the case of conflict this article shall control.

Section 2 Notice. Each mortgagee, upon written request to the Association, shall be entitled to receive copies of budgets, notices of assessments or any other notices or statements provided under this Declaration by an Association to a Lot Owner covered by a mortgage security interest.

Section 3 Form of Request. The request of a mortgagee shall specify which item it desires to receive and shall indicate the address to which any such notice or document shall be sent. Failure of the Association to provide any of the foregoing to a mortgagee who has made a proper request shall not affect the validity of any action that is related to any of the foregoing. The Association need not inquire into the validity of any request made by a mortgagee, and, in the event of multiple requests from purported holders of the same interest, the Association shall honor the most recent request.

XIX

MEMBERSHIP TO COUNTRY CLUB

Each lot and its owner/ lessee must at all times hold a membership to San Juan Country Club (SJCC) which does not have to be a full golf membership. Lot owners may upgrade to a full golf membership which can be accommodated by SJCC administration or the homeowner's association. SJCC dues shall be paid and included in the Homeowners Association assessment. All members of SJCC must be approved by its Board of Directors.

IN WITNESS WHEREOF, Declarant has executed this instrument the ____ day of _____, 2024.

Sandstone at San Juan Country Club LLP
