

**Application for Recognition of Exemption
Under Section 501(a)**

OMB No. 1545-0057

If exempt status is approved,
this application will be open
for public inspection.

Read the instructions for each Part carefully. **A User Fee must be attached to this application.**

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to the organization.

Complete the Procedural Checklist on page 6 of the instructions.

Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.)

Submit only the schedule that applies to your organization. Do not submit blank schedules.

Check the appropriate box below to indicate the section under which the organization is applying:

- a** ☐ Section 501(c)(2)—Title holding corporations (Schedule A, page 7)
- b** ☐ Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)
- c** ☐ Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)
- d** ☐ Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)
- e** ☐ Section 501(c)(7)—Social clubs (Schedule D, page 11)
- f** ☐ Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)
- g** ☐ Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)
- h** ☐ Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)
- i** ☐ Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)
- j** ☐ Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)
- k** ☐ Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)
- l** ☐ Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)
- m** ☐ Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)
- n** ☐ Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

1a Full name of organization (as shown in organizing document)		2 Employer identification number (EIN) (if none, see Specific Instructions on page 2)
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed ()
1c Address (number and street)	Room/Suite	
1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2.		
1e Web site address	4 Month the annual accounting period ends	5 Date incorporated or formed

6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? ☐ **Yes** ☐ **No**
If "Yes," attach an explanation.

7 Has the organization filed Federal income tax returns or exempt organization information returns? ☐ **Yes** ☐ **No**
If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.

8 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a** ☐ Corporation— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.
- b** ☐ Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c** ☐ Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization, and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

**PLEASE
SIGN
HERE**

.....
(Signature) (Type or print name and title or authority of signer) (Date)

For Paperwork Reduction Act Notice, see page 5 of the instructions.

Part II. Activities and Operational Information (Must be completed by all applicants)

- 1** Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted.

-
- 2** List the organization's present and future sources of financial support, beginning with the largest source first.
-

Part II. Activities and Operational Information (continued)

3 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation

4 If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

5 If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).

6 If the organization has capital stock issued and outstanding, state: **(1)** class or classes of the stock; **(2)** number and par value of the shares; **(3)** consideration for which they were issued; and **(4)** if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.

7 State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.

8 Explain how your organization's assets will be distributed on dissolution.

Part II. Activities and Operational Information (continued)

- 9** Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? ☐ **Yes** ☐ **No**
If "Yes," state the full details, including: **(1)** amounts or value; **(2)** source of funds or property distributed or to be distributed; and **(3)** basis of, and authority for, distribution or planned distribution.

- 10** Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? . ☐ **Yes** ☐ **No**
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

- 11** Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? ☐ **Yes** ☐ **No**
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

- 12** Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? ☐ **Yes** ☐ **No**
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

- 13** Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? ☐ **Yes** ☐ **No**
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

- 14** Does the organization now lease or does it plan to lease any property? ☐ **Yes** ☐ **No**
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

- 15** Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? . . ☐ **Yes** ☐ **No**
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

- 16** Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? ☐ **Yes** ☐ **No**
If "Yes," attach a recent copy of each.

Part III. Financial Data (Must be completed by all applicants)

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. **If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.**

A. Statement of Revenue and Expenses

Revenue	(a) Current Tax Year	3 Prior Tax Years or Proposed Budget for Next 2 Years			(e) Total
	From _____ To _____	(b) _____	(c) _____	(d) _____	
1 Gross dues and assessments of members					
2 Gross contributions, gifts, etc.					
3 Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (Include related cost of sales on line 9.)					
4 Gross amounts from unrelated business activities (attach schedule)					
5 Gain from sale of assets, excluding inventory items (attach schedule)					
6 Investment income (see page 3 of the instructions)					
7 Other revenue (attach schedule).					
8 Total revenue (add lines 1 through 7)					
Expenses					
9 Expenses attributable to activities related to the organization's exempt purposes.					
10 Expenses attributable to unrelated business activities					
11 Contributions, gifts, grants, and similar amounts paid (attach schedule).					
12 Disbursements to or for the benefit of members (attach schedule)					
13 Compensation of officers, directors, and trustees (attach schedule)					
14 Other salaries and wages.					
15 Interest					
16 Occupancy					
17 Depreciation and depletion					
18 Other expenses (attach schedule)					
19 Total expenses (add lines 9 through 18)					
20 Excess of revenue over expenses (line 8 minus line 19)					

B. Balance Sheet (at the end of the period shown)

		Current Tax Year as of _____
Assets		
1 Cash	1	
2 Accounts receivable, net	2	
3 Inventories	3	
4 Bonds and notes receivable (attach schedule)	4	
5 Corporate stocks (attach schedule).	5	
6 Mortgage loans (attach schedule)	6	
7 Other investments (attach schedule)	7	
8 Depreciable and depletable assets (attach schedule)	8	
9 Land	9	
10 Other assets (attach schedule)	10	
11 Total assets	11	
Liabilities		
12 Accounts payable	12	
13 Contributions, gifts, grants, etc., payable	13	
14 Mortgages and notes payable (attach schedule)	14	
15 Other liabilities (attach schedule)	15	
16 Total liabilities	16	
Fund Balances or Net Assets		
17 Total fund balances or net assets	17	
18 Total liabilities and fund balances or net assets (add line 16 and line 17)	18	

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation. ☐ 

Schedule B Organizations Described in Section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)

- 1** Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in question 4, Part II of the application) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? . . . ☐ Yes ☐ No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation.

- 2** Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium; buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? . . . ☐ Yes ☐ No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II of the application (pages 2, 3, and 4), enter the page and item number here.)

- 3** If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? . . . ☐ Yes ☐ No

If "Yes," explain.

- 4** If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

Attachments to Form 1024
Ojitos Frios Ranches Homeowners Unit 1

Explanation for Item 6 - The Association incorrectly filed an application for non-profit status under 501(c)(3) in January 2006.

Explanation of Item 8 - The Articles of Incorporation and approval letter from the State of New Mexico are attached. The organization has not yet adopted Bylaws. However, our activities are limited by the covenants and a copy of those are attached.

NEW MEXICO PUBLIC REGULATION COMMISSION

COMMISSIONERS

DISTRICT 1 JASON A. MARKS, VICE CHAIRMAN
DISTRICT 2 DAVID W. KING
DISTRICT 3 BEN R. LUJAN, CHAIRMAN
DISTRICT 4 LYNDA M. LOVEJOY
DISTRICT 5 E. SHIRLEY BACA



CORPORATION DEPARTMENT

1120 Pasco de Peralta/P.O. Box 1269
Santa Fe, NM 87504-1269
(505) 827-4508
1-800-947-4722

DECEMBER 6, 2005

KARYL LYNE
89 ROADRUNNER RD.
LAS VEGAS , NM 87701

RE: OJITOS FRIOS RANCHES HOMEOWNERS, UNIT I
SCC#2653335

BE ADVISED THAT THIS COMMISSION HAS APPROVED AND FILED THE ARTICLES OF INCORPORATION, FOR THE ABOVE REFERENCED CORPORATION, EFFECTIVE NOVEMBER 14, 2005. THE ATTACHED CERTIFICATE OF INCORPORATION SHOULD BECOME A PERMANENT DOCUMENT OF THE CORPORATION'S CORPORATE RECORDS.

THE ATTACHED CERTIFICATE DOES NOT CONSTITUTE AUTHORIZATION FOR THE ABOVE REFERENCED CORPORATION TO TRANSACT ANY BUSINESS WHICH REQUIRES COMPLIANCE WITH OTHER APPLICABLE FEDERAL OR STATE LAWS, INCLUDING, BUT NOT LIMITED TO, STATE LICENSING REQUIREMENTS. IT IS THE CORPORATION'S SOLE RESPONSIBILITY TO OBTAIN SUCH COMPLIANCE WITH ALL LEGAL REQUIREMENTS APPLICABLE THERETO PRIOR TO ENGAGING IN THE BUSINESS FOR WHICH IT HAS OBTAINED THE ATTACHED CERTIFICATE OF INCORPORATION.

REQUIRED FILING INFORMATION, WITH THE COMMISSION, FOLLOWS:

THE ENCLOSED FIRST REPORT IS TO BE COMPLETED AND FILED BY JANUARY 5, 2006, WITH A FILING FEE OF \$10.00. THE ORIGINAL FIRST REPORT IS TO BE FILED WITH OUR OFFICE. THEREAFTER, A CORPORATE REPORT MUST BE FILED ANNUALLY ON OR BEFORE THE FIFTEENTH DAY OF THE FIFTH MONTH FOLLOWING THE CORPORATION'S TAXABLE YEAR END. LATE FILING PENALTY OF \$10.00 WILL BE ADDED FOR UNTIMELY FILING OF ANY REPORT. THE FIRST REPORT IS NOT FILED IN LIEU OF ANY REQUIRED CORPORATE REPORT. THE REPORT IS REQUIRED TO BE FILED WHETHER A CORPORATION IS ACTIVE OR INACTIVE OR UNTIL SUCH TIME THAT THE CORPORATION IS RELIEVED FROM FILING THE REPORT AS REQUIRED BY LAW.

A SUPPLEMENTAL REPORT SHALL BE FILED WITHIN THIRTY DAYS IF, AFTER FILING OF THE CORPORATE REPORT, A CHANGE IS MADE AFFECTING THE REPORT. PLEASE CONTACT THIS COMMISSION FOR ADDITIONAL INFORMATION AND SUPPLEMENTAL REPORT FORMS.

THE BYLAWS IN EFFECT FOR THE CORPORATION, SIGNED BY TWO AUTHORIZED OFFICERS, SHALL BE MAINTAINED AT THE CORPORATION'S PRINCIPAL OFFICE IN NEW MEXICO AND SHALL BE SUBJECT TO INSPECTION AND COPYING BY THE PUBLIC. IF THE MOST RECENTLY ADOPTED BYLAWS ARE SO MAINTAINED, THEY SHALL NOT BE VOID. THE CORPORATION MAY CHARGE A FEE, NOT TO EXCEED ONE DOLLAR PER PAGE, TO COPY.

YOUR CANCELLED CHECK, AS VALIDATED BY THIS COMMISSION, IS YOUR RECEIPT. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CHARTERED DOCUMENT DIVISION AT (505) 827-4511 FOR ASSISTANCE.



OFFICE OF THE
PUBLIC REGULATION COMMISSION

CERTIFICATE OF INCORPORATION

OF

OJITOS FRIOS RANCHES HOMEOWNERS, UNIT I

2653335

The Public Regulation Commission certifies that the
Articles of Incorporation, duly signed and verified
pursuant to the provisions of the

NONPROFIT CORPORATION ACT

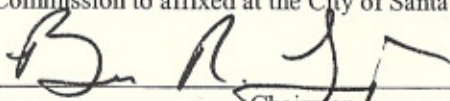
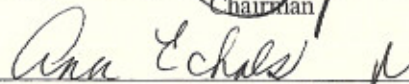
(53-8-1 to 53-8-99 NMSA 1978)

have been received by it & are found to conform to law.

Accordingly, by virtue of the authority vested in it by
law, the Public Regulation Commission issues this
Certificate of Incorporation & attaches hereto, a duplicate
of the Articles of Incorporation.

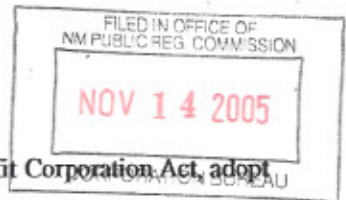
Dated: NOVEMBER 14, 2005

In testimony whereof, the Public Regulation of the
State of New Mexico has caused this certificate to be
signed by its Chairman and the seal of said
Commission to affixed at the City of Santa Fe.


Chairman

Bureau Chief

SUBMIT ORIGINAL AND A COPY
TYPE OR PRINT LEGIBLY

Nonprofit Corporation
ARTICLES OF INCORPORATION



The undersigned, acting as incorporator(s) to form a corporation under the New Mexico Nonprofit Corporation Act, adopt the following Articles of Incorporation:

ARTICLE ONE: The name of the Corporation is: Artist's Ranches Homeowners Association, Unit I

ARTICLE TWO: The period of duration is: perpetual

ARTICLE THREE: The purpose for which the corporation is organized is:

117 Roadrunner Rd. Las Vegas, NM, 87701
to provide an equitable, legal, operating structure for OFRHA, Unit I

ARTICLE FOUR:

(1) The New Mexico street address of the corporation's initial registered office is:

117 Roadrunner Rd, Las Vegas, NM 87701

(P.O. Box is not acceptable. Provide a description of the geographical location if a street address does not exist)

(2) The name of the initial registered agent at the address of the initial registered office is:

Sharon Greeley, Recording Secretary, OFRHA, Unit I

ARTICLE FIVE: The names and addresses of the initial board of directors are: (minimum number of directors required is three) (attach schedule if needed)

NAME	ADDRESS
Chris Baca, President	354 Mirasol Las Vegas NM 87701
George Vigil, Vice President	390 Mirasol Las Vegas NM 87701
Karyl Lyne, Treasurer	89 Roadrunner Rd. Las Vegas NM
Sharon Greeley, Secretary	117 Roadrunner Rd. Las Vegas, NM
Sal Maese, Member-at-Large	172 Roadrunner Rd. Las Vegas, NM

ARTICLE SIX: The name and address of each incorporator is: (attach schedule if needed)

NAME	ADDRESS
Chris Baca	354 Mirasol Las Vegas, NM 87701
George Vigil	390 Mirasol Las Vegas
Karyl Lyne	89 Roadrunner Rd
Sharon Greeley	117 Roadrunner Rd

Dated: 27 October, 2005

George T. Vigil

Sharon Greeley, Secretary

Karyl Lyne, Treasurer

Signature of Incorporator(s)
(each person named in Article Six must sign)

RECEIVED

NOV 14 2005

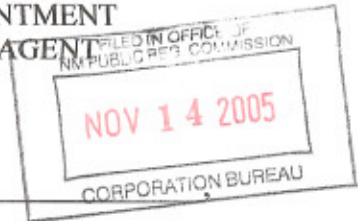
NM PUBLIC REG. COMM.
CORPORATION BUREAU
(revised 07/03)

RECEIVED

OCT 27 2005

NM PUBLIC REG. COMM.
CORPORATION BUREAU

STATEMENT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT



I, SHARON GREELEY

hereby acknowledge that the undersigned individual or corporation accepts appointment

as Initial Registered Agent of Ojitos Frios Ranches Homeowners Association, Unit 1

the corporation which is named in the annexed Articles of Incorporation.

Sharon Greeley 27 Oct. 2005
(Sign on this line if the registered agent named in the Articles of Incorporation is an individual.
If this line is signed, the two lines below do not apply and must be left blank.)

.....
CORPORATION ACTING AS A REGISTERED AGENT ONLY

(If the following lines are used, the signature line above does not apply and must be left blank)

(If the registered agent named in the Articles of Incorporation is a corporation, type or print the name of that corporation here.)

By _____
(An authorized officer of the corporation being appointed as registered agent must sign here)

Form D-STMNT
(revised 07/03)

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OCT 27 2005

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CORPORATION BUREAU

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OJITOS FRIOS RANCHES SUBDIVISION

UNIT I

AMENDED RESTRICTIVE COVENANTS

The undersigned, being the owner of all the lots located in Ojitos Frios Ranches Subdivision, Unit I, located in San Miguel County, New Mexico, a plat of which was recorded in Book 16 at Pages 3 through 4 of the records of San Miguel County, New Mexico, on the 13th day of January, 1982, Document #6705, do hereby amend the Ojitos Frios Ranches Subdivision Restrictions by striking therefrom Covenants 1 through 23, being all of such Covenants, and substituting in lieu thereof the following Covenants and consent and agree that the following Amended Restrictive Covenants shall be in force and effect upon the property within said Ojitos Frios Ranches Subdivision, Unit I, from the date of recording this instrument, to wit:

1. No subdivision of the original Ojitos Frios Ranches Subdivision, Unit I, lots into less than 2.5 acres shall be allowed. Each such subdivision must provide adequate easement written into the Warranty Deed as well as provide for adherence to these Restrictive Covenants.
2. There shall not be erected on any lot more than one (1) single private family dwelling house together with the necessary and appurtenant buildings such as guest and employee quarters, garages, carports, a barn, tool sheds, and/or one animal/poultry pen. Any deviation from this restriction will only be upon the written approval of "The Committee", as outlined herein.

EXHIBIT

A

3. No business of manufacturing, commercial enterprise or public or commercial amusement enterprise shall be conducted, operated or maintained on any lot except an "in-home" business. An "in-home" business shall be defined as a business operated within the confines of a private residence which in no respect whatsoever alters the residential nature of the subdivision.
4. There is hereby created the Ojitos Frios Ranches Committee (hereinafter referred to as the Committee) initially composed of Michael Martinez and Linda L. Martinez. As soon as there shall be ten (10) other property owners, three (3) additional members shall be elected, for a one (1) year term, to the Committee by a vote of the owners of a majority of the lots, there being one vote for each lot owned. An annual meeting of all property owners shall be held each May 1st at which time three (3) new Committee members shall be elected by a majority of the owners of lots, until the entire Unit I is sold. Upon sale of all lots in the subdivision, Michael and Linda L. Martinez shall be replaced by two (2) additional property owners, appointed by a majority of the existing Committee members who are property owners. Thereafter, property owners shall meet each May 1st to elect five (5) Committee members for the coming year. Until new Committee members are elected and accept appointment each year, those members already serving shall constitute the Committee. All actions by the Committee shall require a majority thereof. Votes in writing shall have the same effect as if cast at that meeting. The Committee shall not be comprised of any more

or less than five (5) members, one of whom shall be elected Chariman by the other members.

The Committee shall have two (2) primary purposes, and powers:

- (1) To review all plans for all residential dwellings, related buildings, and structures of any kind, and all placement of said building and structures of any kind on each lot. In addition the Committee shall review location placement of all wells and septic tanks on each lot.
- (2) To collect a fee annually for maintenance of all roads within the Ojitos Frios Subdivision, Unit I, from each property owner and to contract for such maintenance on the roads as is necessary to maintain roads in good, workable condition. The fees shall be collected also to cover the seasonal expenses that the Committee may incur in carrying out its responsibilities hereunder, and in the event of any governmental assessment of such roads, to pay such assessment. The fee to be assessed shall be allocated to the individual lot owners on the basis of the number of acres in their respective lots in proportion to the number of acres in all of the lots in the subdivision; the fee assessed to each lot shall be a lien against such lot, enforced by the Committee in the same manner as a Mechanics and Materialmans lien. The initial fee, to be collected and held in an escrow account for property owners, shall be \$10.00 per acre. Ojitos Frios Ranch Partnership, current owner of the Ojitos Frios Ranches Subdivision, shall be responsible for the annual fee on each one of the lots which it owns.

Members of the Committee shall be entitled to collect any out-of-pocket expenses in line with their duties.

Members shall not receive any compensation for their time.

Michael and Linda L. Martinez shall provide the Committee with guidelines to be used in the determining of both, architectural and location details. The Committee shall be bound by these guidelines throughout the life of these Restrictive Covenants. There shall be no unreasonable withholding of approval of architectural plans or locations. However, the character of the area, the topography of each lot, the relation of a location for residences, outbuildings, well and septic systems shall be considered for each final approval.

All buildings, of whatever type, shall be designed in keeping with the environment.

- (a) No dwelling house, garage, carport, outbuildings, or other structure of any kind shall be erected, constructed, placed, moved on or maintained on any lot or lots, or any parcel or portion thereof, nor shall any additions or changes be made to the exterior thereof, unless prior to the commencement of any construction, excavation, grading, or other work, two complete sets of the plans and specifications thereof, including color scheme thereof, and plot plan, indicating and fixing the exact location of such structure or such altered structure thereof, shall have first been submitted to the

Committee in writing for its approval and such approval obtained in writing from the Committee.

- (b) Approval by the Committee of such plans, specifications, and location of buildings shall be endorsed on both sets of plans and specifications, and one set thereof shall be returned to the person submitting the same and the other set shall be retained by the Committee.
- (c) In the event that the proposed improvements be for the repairing and/or redecoration of the exterior of a structure, without remodeling the same or making additions thereto, it shall be necessary only to file the color scheme of such proposed work with the Committee and have the same approved in writing by it prior to commencement of such repairs and/or redecoration.
- (d) No building, garage, carport, or other structure of any kind shall be erected, constructed, placed, altered or maintained upon said property unless the same shall be erected, constructed, placed, altered or maintained in conformity with the plans and specifications, color scheme, and plot plan theretofore approved by the Committee and in conformity with these Covenants.
- (e) All plans for septic tanks and wells to be installed in the subdivision shall first be submitted to the Committee for its approval. The Committee may

base its decision on the installation of such septic tanks on the then existing or anticipated Municipal, County, State or Federal regulations regarding septic tanks or other methods of sewage disposal.

- (f) In the event of any ambiguity in a provision of these restrictions, the interpretation of the Committee as to the meaning intended shall prevail.
- (g) The Committee may withhold its approval for any of the following reasons:
 - (1) Non-compliance with any of the specific conditions and restrictions contained in these Restrictive Covenants; or
 - (2) Reasonable dissatisfaction of the Committee with the location of the structure on the building site, or with the appearance of the proposed structure, or with the lot grading plan, having in mind the character of the neighborhood in which it is proposed to be erected, the materials of which it is to be built, the harmony thereof with the surroundings, and the effect of the building or other structure as planned on the outlook from the adjacent or neighboring property or properties.However, the Committee shall act with all due promptness. In the event the Committee shall fail to approve or disapprove any matters submitted to it hereunder within thirty (30) days from such submission, then what has been submitted shall be deemed to have been approved by the Committee.

5. A temporary structure, such as a mobile home, barn, garage, etc., may be used as a temporary residence prior to commencement and during construction of a permanent residence only upon approval of the Committee, provided, however, that a mobile home may be used as a temporary residence only during construction of a permanent residence for a period of not to exceed twenty four (24) months. Property owners may construct other buildings, other than residences, prior to construction of permanent residences, upon approval of the Committee of the architectural details and locations of such other buildings, or wells, or septic systems.
6. When the construction of a dwelling is commenced upon any lot, the owner or owners thereof shall prosecute, with all reasonable diligence, the completion thereof and shall complete the construction thereof within twenty four (24) months from the date of commencement, delays caused by Act of God excepted, unless the written consent of the Committee is obtained for a longer period of time for construction prior to the commencement of such construction.
7. No brush, trash, or other materials shall be burned except in compliance with the fire regulations of the appropriate regulatory agency.
8. Live trees having a diameter of eight (8) inches or more measured one (1) foot above the ground, may not be removed without the prior written consent of the Committee.

9. No windmills or wind chargers shall be erected upon any lot in this subdivision except with written approval of the Committee.
10. No obnoxious or offensive activity shall be carried on upon any lot, nor shall anything be done on any lot which may be or become an annoyance or a nuisance to the neighborhood.
11. No garbage, refuse, junk, trash, or obnoxious or offensive material shall be permitted to accumulate on any lot, and the owner or owners of each lot shall cause the same to be disposed of by and in accordance with accepted sanitary practices. All garbage or trash containers, oil tanks, gas tanks, and other facilities must be placed under ground or in walled-in or fenced-in areas so that they shall not be visible from any adjoining lot, any street, or waterway. Each owner shall furnish and maintain his lot with a garbage can of not less than twenty gallons capacity in underground, fenced-in or walled-in areas. Garbage shall be disposed of in accordance with the regulations of the State of New Mexico and any of its subdivisions. Such garbage shall be removed by the lot owner to a sanitary land fill provided by San Miguel County or by arrangement with a garbage removal service.
12. Except as provided hereafter, animals shall be restricted to usual household pets. Any vicious animal shall be confined within the exterior boundaries of the lot on which it is maintained. If animals other than usual household pets are to be kept, owner shall first fence

the acreage where animals are to be kept. Large animals shall be limited to one per acre. No exceptions to this restriction shall be permitted without permission of the Committee. No small farm animals, such as goats, sheep, pigs, or poultry shall be allowed except in securely fenced pens.

13. All principal dwelling houses, exclusive of garage, carports, patios, terraces and porches, shall be constructed or maintained with a heated living area of not less than 800 sq. ft.
14. All utilities shall be underground. Each owner shall be responsible for bringing all utility lines underground from the nearest utility box to his respective building site. Temporary overhead utility lines may be permitted with written permission of the Committee.
15. Each owner shall be responsible for providing his own well and septic tank system in accordance with all County and State regulations for such.
16. No signs of any character shall be permitted to be placed or maintained on any lot except a sign not larger than 72 square inches setting forth the name of the owner or occupant of said lot. If a permitted "in-home" business is on a lot, the sign may also contain the name of such business. All other signs are prohibited without prior written approval of the Committee.
17. In the event the owner or purchaser of any lot shall fail to maintain the premises and the improvements

situated thereon in a manner satisfactory to the Committee, it shall have the right to enter upon such lot and to repair, maintain, rehabilitate, and restore the premises and the exterior of any improvements situated thereon and the cost thereof shall be charged against the owner of said lot by notice to the lot owner or real estate contract owner by regular mail addressed to his last address as shown on the records of the Committee, and if the sum is not paid within thirty (30) days after such notice has been mailed, the amount due shall be and become a lien on the said lot when the Committee has caused to be filed or recorded in the office of the County Clerk of San Miguel County a claim of a mechanics and materialmen's lien and posting a copy of same upon said lot within one (1) year from the date of mailing of such notice of amount due. Such lien shall be foreclosed in the manner provided by the laws of the State of New Mexico for the foreclosure of such liens.

WITH OWNERS
APPROVAL.

18. Ojitos Frios Ranch Partnership expressly reserves the right to make any reasonable and necessary changes in these restrictions to benefit the lot owners until no less than ninety per cent (90%) of all lots in the subdivision have been sold, after which time there shall be no changes in any of these restrictions without formal approval by written vote of no less than the owners of two-thirds (2/3) of the lots, such vote to be taken no sooner than five (5) days after one hundred per cent

(100%) of the lot owners have been fully informed in writing of any proposed changes. Proposed changes in these restrictions requiring approval as aforesaid must be submitted in writing to the Committee, which Committee shall have the duty and responsibility to prepare and send copies of such proposed changes to all lot owners by mail addressed to their address as shown on the records of the Committee. Such copies shall be sent within fifteen (15) days of receipt by the Committee and deposit in the U. S. Mail shall be considered as meeting this requirement. Voting on any proposed change may be by mail.

19. These Covenants are to run with the land and shall be binding upon the undersigned and all persons claiming under them, their heirs, successors, and assigns, for a period of ten (10) years from the date these Restrictive Covenants are recorded, after which time said Restrictive Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots in the subdivision has been recorded agreeing to change said restrictions in whole or in part releasing any portion of the property in said subdivision from any one or more, or all, of said Restrictive Covenants.
20. All lot purchasers, lot owners, and successors in interest agree to be bound by and become a party to these Restrictive Covenants by their acquiring an interest in

a lot in the subdivision with the same effect as if they had personally signed them.

21. All the Restrictive Covenants contained herein are for the benefit of any and all of the owners of the lots within the boundaries of the subdivision, and if the undersigned owner or any of its assigns or successors in interest shall violate or attempt to violate any of such Restrictive Covenants, then it shall be lawful for any other person or persons owning land within said boundaries, and for the Committee in its absolute discretion to prosecute any proceeding at law or in equity to recover damages or to enjoin such act and to have any and all further legal and equitable relief. In the event such legal action is taken, the person successfully prosecuting such action shall be awarded reasonable attorneys' fees and expenses incurred, in addition to costs. The right of the Committee to prosecute any proceedings for the enforcement of the Covenant shall impose no duty upon it to do so. The word "person" as used herein means any individual, partnership, firm, company, trust, association, corporation, or other entity of whatsoever nature.
22. Neither the Committee nor any of its members shall be liable in damages for its actions or failure to act pursuant to the functions herein specified for the Committee and its members.

23. Invalidation of any one of these Covenants shall in nowise affect any of the other provisions hereof, which shall remain in full force and effect.

IN WITNESS WHEREOF, Ojitos Frios Ranch Partnership, has executed these Amended Restrictive Covenants this 30th day of October, 1982.

Ojitos Frios Ranch Partnership

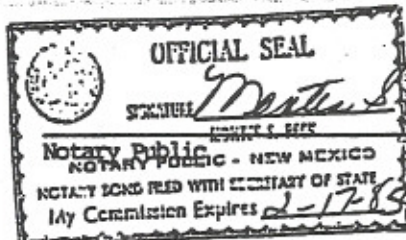
By Michael Martinez
Michael Martinez
General Partner

By Linda L. Martinez
Linda L. Martinez
General Partner

ACKNOWLEDGEMENT OF PARTNERSHIP

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

The foregoing instrument was acknowledged before me on this 30th day of October, 1982, by Michael Martinez and Linda L. Martinez, general partners of Ojitos Frios Ranch Partnership, a New Mexico partnership, on behalf of said partnership.



(SEAL)

My Commission
Expires: _____

STATE OF NEW MEXICO)
County of San Miguel) SS.
I hereby certify that this instrument
was filed for record on

NOV 05 1982

At 1:11 P.M. on Nov 5 1982
recorded in Book _____ of _____ page _____
Witness my hand and seal of office
By Felix R. Garcia County Clerk
By Felix R. Garcia Deputy

0006968

SECOND AMENDMENT TO RESTRICTIVE COVENANTS

This Second Amendment to Restrictive Covenants (the "Second Amendment") is made by Ojitos Frios Ranch Partnership, a New Mexico Partnership ("Grantor") on this ____ day of April, 1991.

Recitals:

WHEREAS, Grantor is the developer of the Ojitos Frios Ranch Unit I located in San Miguel County, New Mexico (the "Property");

WHEREAS, Grantor has heretofore encumbered the Property with those certain Amended Restrictive Covenants recorded in the San Miguel County Clerk's records at Misc. Book 228, Page 9919 (the "Covenants");

WHEREAS, Grantor reserved the right to make any reasonable and necessary changes in the Covenants until such time as ninety percent (90%) of all lots within the Property have been sold, all as stated in Paragraph 18 of the Covenants; and

WHEREAS, ninety percent (90%) of the lots within the Property have not been sold as of the date of this Second Amendment, and Grantor desires to amend the Covenants as hereinafter provided and deems the same to be reasonable and necessary.

NOW, THEREFORE, the Covenants are hereby amended as follows:

1. Paragraph 11 of the Covenants shall hereafter contain the following language, in addition to the existing provision of said Paragraph:

No non-working motor vehicles shall be kept or stored on any lot at any time. No working, motor vehicles (which are not in daily use) shall be parked, kept or stored on any lot except behind fences or screens which shall hide said stored vehicle from view from all other lots within the subdivision.

2. There shall be added the following paragraphs to the Covenants:

24. All complaints regarding violations of covenants or the management or operation of the homeowners' association shall be made only to the Committee in writing, and said notice shall be given not less than thirty (30) days prior to any legal action being filed or other action taken with respect to the same, unless irreparable harm or injury is threatened requiring immediate injunctive action by a court of law.

HAS NOT BEEN
FOLLOWED

25. Notwithstanding any provision to the contrary contained in the Covenants, no structure of any type, except fences, shall be closer than one hundred feet (100') to any lot line which abuts a roadway, nor closer than fifty feet (50') to any other lot line. This restriction may be varied only with the express, prior written consent of the Committee given after thirty (30) days' written notice of the proposed variation to all owners within the subdivision.

26. Any damage to any roadway or any utility system within such roadway committed by any owner, his agent or contractor, shall be the liability of the owner on whose behalf the work is undertaken. Said owner shall immediately notify the committee in writing of the damage done and provide the name, address and telephone number of the person(s) or firm who committed the damage. Said owner shall immediately take all steps necessary to remedy the damage done.

27. Prior to any construction on any lot, the owner shall notify the Committee in writing of the name and telephone number of the contractor performing such construction.

28. If at any time, fees or dues assessed by the homeowner's association against an owner shall be in arrears for two (2) years, the association may file a lien for the same against the owner's real property within the subdivision. All legal fees and costs incurred by the association in connection with any and all efforts to collect said fees or dues shall be collectable against said owner and shall become part of the assessment which assessment shall remain in arrears until all such costs and fees are paid in full.

29. In the event that an owner of property within the subdivision shall desire on his behalf or behalf of his contractor or builder to keep a trailer or mobile home on the property beyond the period allowed by the Covenants or desire to extend the period of construction allowed by these Covenants, then such owner shall make an application in writing requesting such an extension to the Committee, which application shall specify the reason for the extension and the nature of the problems, if any, the owner, his contractor or his builder has encountered requiring the extension, and which shall specify the time period of the requested extension. The Committee shall have ten (10) days in which to respond in writing to the application for an extension. If the Committee shall not respond within said time period, the application shall be deemed granted according to its terms. The Committee, in its sole discretion, may either grant the extension, deny the extension, reduce or enlarge the time period requested, and/or impose such reasonable conditions as the Committee deems necessary upon the extension.

3. Except as amended hereby the Covenants shall remain in full force and effect.

IN WITNESS WHEREOF the Grantor has executed this Second Amendment on the date first written above.

Ojitos Frios Ranch Partnership

By:

Linda Lee Martinez
Linda Lee Martinez
General Partner

STATE OF NEW MEXICO)

County of San Miguel SS.

I hereby certify that this instrument
was filed for record on

MAY 14, 1991

State of New Mexico

County of Santa Fe

} ss.

at 1:55 p.m. on May 14, 1991 and was duly
recorded in Book 239 of 00307
Witness my hand and seal of office
By Margaret L. Adams County Clerk

The foregoing instrument was acknowledged, subscribed and sworn to before me on this 14th day of April, 1991, by Linda Lee Martinez, general partner of Ojitos Frios Ranch Partnership, on behalf of the partnership.

My Commission Expires:

(seal)

Jan 22, 1994

js91-144.doc

Linda L. Adams
Notary Public

1906

**THIRD AMENDMENT TO
AMENDED RESTRICTIVE COVENANTS
FOR
OJITOS FRIOS RANCHES SUBDIVISION, UNIT 1**

THIS THIRD AMENDMENT to the Amended Restrictive Covenants for Ojitos Frios Ranches Subdivision, Unit 1, which were recorded on November 5, 1982 in Misc. Book 228, at page 9919, records of San Miguel County, New Mexico (the "Amended Covenants") is adopted this 11th day of September, 1998 by the Ojitos Frios Ranches Committee (the "Committee") with reference to the following facts:

RECITALS

A. Pursuant to paragraph 18 of the Amended Covenants, the restrictions set forth in the Amended Covenants may be modified with the formal approval by written vote of no less than the owners of two-thirds (2/3) of the lots in the Ojitos Frios Ranches Subdivision, Unit 1 (the "Subdivision").

B. The Committee hereby certifies that the owners of at least two-thirds (2/3) of the lots in the Subdivision have formally approved by written vote the following amendment.

AMENDMENT

Paragraph 5 of the Amended Covenants is revised to read as follows:

All principal dwellings, guest houses, and other residential structures in the Subdivision shall be constructed on-site. No trailer, mobile home, manufactured home, premanufactured home, modular home or other non site built home shall be moved onto or placed upon any lot in the Subdivision for use as a permanent residence regardless of whether such home meets any federal or state standards for construction of such homes. Notwithstanding the foregoing, a trailer, mobile home, barn, garage or other similar type of structure may be used as a temporary residence during the construction of a permanent, site-built residence, with the prior written approval of the Committee for a period of up to twenty four (24) months, subject to reasonable extensions pursuant to the provisions of paragraph 29 of the Covenants. A lot owner may also construct other buildings on his or her lot,

County of San Miguel
City of Medina

Filed for Recording 9/11/98
Date 10/15/98
Time 10:15 P.M.
Book 358 or Misc. 3035
Deputy [Signature]
Witness My Hand and Seal

prior to construction of a permanent residence on the lot, with the prior written approval of the Committee as to the architectural details and location of such buildings.

IN WITNESS WHEREOF, the Committee has published and executed this Third Amendment to Amended Restrictive Covenants for Ojitos Frios Ranches Subdivision, Unit 1 as of the day and year first set forth above.

OJITOS FRIOS RANCHES COMMITTEE

By Salomon Maese, Jr.
Salomon Maese, Jr.
Chairman

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this 11 day of September, 1998, by Salomon Maese, Jr., as Chairman of the Ojitos Frios Ranches Committee, on behalf of said committee.

Roma Ann Adams
Notary Public

My Commission Expires: _____

July 10, 1999