



DISCLOSURE STATEMENT

**FOR PHASES 3 AND 5 OF THE
PETROGLYPH TRAILS SUBDIVISION**

**PLEASE READ THIS DISCLOSURE STATEMENT
BEFORE YOU
SIGN ANY DOCUMENTS OR AGREE TO ANYTHING**

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DISCLOSURE STATEMENT

PHASES 3 AND 5 OF PETROGLYPH TRAILS

DATE: *December 16, 2011*

PLEASE READ THIS DISCLOSURE STATEMENT

BEFORE YOU SIGN ANY DOCUMENTS OR AGREE TO ANYTHING

This disclosure statement is intended to provide you with enough information to permit you to make an informed decision on the purchase, lease or acquisition of property described in this statement. You should read carefully all of the information contained in this statement before you decide to purchase, lease or otherwise acquire the described property.

Various public agencies may have issued opinions on both the subdivision proposal and the information contained in this disclosure statement. Summaries of these opinions are contained in this disclosure statement. They may be favorable or unfavorable. You should read them closely.

The Board of County Commissioners has examined this disclosure statement to determine whether the subdivider can fulfill what the subdivider has said in this disclosure statement. However, the Board of County Commissioners does not vouch for the accuracy of what is said in this disclosure statement. In addition, this disclosure statement is not a recommendation or endorsement of the subdivision by either the County or the State. It is informative only.

The Board of County Commissioners recommends that you inspect the property before purchasing, leasing or otherwise acquiring it.

If you have not inspected the parcel before purchasing, leasing or otherwise acquiring it, you have six (6) months from the time of purchase, lease or other acquisition to personally inspect the property. After inspecting the parcel within the six (6) month period, you have three (3) days to rescind the transaction and receive all your money back from the subdivider when merchantable title is revested in the subdivider. To rescind the transaction you must give the subdivider written notice of your intent to rescind within three (3) days after the date of your inspection of the property.

County regulations require that any deed, real estate contract, lease or other instrument conveying an interest in a parcel in the subdivision be recorded with the County Clerk.

Building permits, wastewater permits or other use permits must be issued by state or county officials before improvements are constructed. You should investigate the availability of such permits before you purchase, lease or otherwise acquire an interest in the land. You should also determine whether such permits are requirements for construction of additional improvements before you occupy the property.

1. **NAME OF SUBDIVISION, MASTER DISCLOSURE STATEMENT AND DESCRIPTION OF ENTIRE SUBDIVISION AND OF PHASES 3 AND 5 THEREOF**

A. **NAME OF SUBDIVISION**

THE TWENTY-TWO LOTS WHICH ARE THE SUBJECT OF THIS DISCLOSURE STATEMENT ARE LOCATED IN PHASES 3 AND 5 OF THE PETROGLYPH TRAILS SUBDIVISION.

B. **MASTER DISCLOSURE STATEMENT**

THERE IS A MASTER DISCLOSURE STATEMENT (THE "MASTER DISCLOSURE STATEMENT") WHICH COVERS ALL OF PETROGLYPH TRAILS, AND WHICH WAS RECORDED ON *Dec 16,* 2011 IN BOOK *414* AT PAGE *29796*, RECORDS OF THE SANDOVAL COUNTY CLERK. PURCHASERS OF LOTS IN PHASES 3 AND 5 OF PETROGLYPH TRAILS SHOULD READ NOT ONLY THIS DISCLOSURE STATEMENT BUT ALSO THE MASTER DISCLOSURE STATEMENT SINCE PORTIONS THEREOF ARE REFERENCED HEREIN.

C. **DESCRIPTION OF ENTIRE SUBDIVISION AND OF PHASES 3 AND 5 THEREOF**

PETROGLYPH TRAILS IS A SUBDIVISION CONSISTING OF APPROXIMATELY 217 ACRES LOCATED NORTH OF NEW MEXICO HIGHWAY 165 IN PLACITAS, SANDOVAL COUNTY, NEW MEXICO. IT IS ANTICIPATED THAT PETROGLYPH TRAILS WILL BE DEVELOPED IN THIRTEEN (13) PHASES.

THE 23 LOTS IN PHASES 3 AND 5 OF PETROGLYPH TRAILS CONSTITUTE APPROXIMATELY 29.09 ACRES AND ARE BEING DEVELOPED BY PLACITAS DEVELOPMENT, LLC. A COPY OF THE FINAL PLAT FOR PHASES 3 AND 5 OF PETROGLYPH TRAILS IS ATTACHED HERETO AS **EXHIBIT A** (THE "FINAL PLAT").

THE LOTS WITHIN THE OTHER PHASES HAVE BEEN OR WILL BE DEVELOPED BY TRAILS INVESTORS, LLC, THE MASTER DEVELOPER FOR ALL OF PETROGLYPH TRAILS, OR BY SUCH PERSONS OR ENTITIES AS MAY ACQUIRE ONE OR MORE OF THE PHASES.

2. **NAME AND ADDRESS OF YOUR SUBDIVIDER/ DEVELOPER**

PLACITAS DEVELOPMENT, LLC
01 RIDGE COURT
PLACITAS, NEW MEXICO 87043

3. **NAME AND ADDRESS OF PERSON IN CHARGE OF SALES OR LEASES IN NEW MEXICO FOR LOTS WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS**

STEVEN M. GUELJ AND/OR THOMAS J. ASHE
01 RIDGE COURT
PLACITAS, NEW MEXICO 87043

4. **SIZE OF PHASES 3 AND 5 OF PETROGLYPH TRAILS**

23 LOTS.

5. **SIZE OF LARGEST LOT OFFERED FOR SALE OR LEASE WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS**

APPROXIMATELY 2.23 ACRES.

6. **SIZE OF SMALLEST LOT FOR SALE OR LEASE WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS**

APPROXIMATELY 0.75 ACRES.

7. **PROPOSED RANGE OF SELLING OR LEASING PRICES FOR LOTS IN PHASES 3 AND 5 OF PETROGLYPH TRAILS**

\$_____ TO \$_____ FOR THE PURCHASE OF A LOT. THESE FIGURES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

8. **FINANCING TERMS**

A. **PLACITAS DEVELOPMENT, LLC'S DISCRETION TO PROVIDE FINANCING**

AT ITS SOLE DISCRETION, PLACITAS DEVELOPMENT, LLC MAY OFFER FINANCING, VIA A NOTE AND MORTGAGE, TO A LIMITED NUMBER OF QUALIFIED PURCHASERS.

PLACITAS DEVELOPMENT, LLC MAY ALSO OFFER TO SELL LOTS TO BUILDERS ON A REAL ESTATE CONTRACT.

PLACITAS DEVELOPMENT, LLC HAS NO OBLIGATION TO OFFER FINANCING AND RESERVES THE RIGHT TO DISCONTINUE DOING SO AT ANY TIME, TO CHANGE ITS FINANCING TERMS AT ANY TIME, AND TO DENY FINANCING TO ANY PERSON AT PLACITAS DEVELOPMENT, LLC'S SOLE DISCRETION.

B. **FEES AND COSTS ARE ESTIMATES ONLY**

ANY FEES AND COSTS STATED IN THIS SECTION 8 ARE ESTIMATES ONLY. PLACITAS DEVELOPMENT, LLC DOES NOT REPRESENT, WARRANT OR GUARANTEE THAT SUCH TERMS OR AMOUNTS WILL REMAIN THE SAME AND STATES THAT SUCH AMOUNTS ARE ALL SUBJECT TO RATE CHANGES. MOREOVER, THE FEES AND COSTS STATED BELOW DO NOT INCLUDE TYPES OF FEES OR COSTS THAT PLACITAS DEVELOPMENT, LLC RESERVES THE RIGHT TO ASSESS AS ADDITIONAL FEES AND COSTS. PURCHASER SHOULD REVIEW THE PURCHASE AGREEMENT AND THE LOAN AND CLOSING DOCUMENTS RELATING TO THE PURCHASER'S TRANSACTION FOR SPECIFIC LOAN TERMS AND FOR THE SPECIFIC AMOUNTS TO BE PAID BY PURCHASER.

C. **INTEREST RATES**

PLACITAS DEVELOPMENT, LLC MAY PROVIDE FINANCING TO A LIMITED NUMBER OF QUALIFIED PURCHASERS. THE INTEREST RATE CHARGED TO ANY PURCHASER FOR WHOM PLACITAS DEVELOPMENT, LLC AGREES TO PROVIDE FINANCING WILL BE NEGOTIATED BASED ON THEN-EXISTING MARKET CONDITIONS.

D. **TERM OF NOTE AND MORTGAGE OR REAL ESTATE CONTRACT**

PLACITAS DEVELOPMENT, LLC MAY PROVIDE FINANCING TO A LIMITED NUMBER OF QUALIFIED LOT PURCHASERS ON A TEN (10) YEAR AMORTIZATION WITH THE ENTIRE BALANCE DUE IN FIVE (5) YEARS.

E. **MINIMUM DOWN PAYMENT**

TO THE EXTENT PLACITAS DEVELOPMENT, LLC DECIDES TO PROVIDE FINANCING TO A QUALIFIED LOT PURCHASER, IT WILL BE WITH A MINIMUM DOWN OF TWENTY PERCENT (20%) OF THE PURCHASE PRICE.

F. ESCROW FEES

IF PLACITAS DEVELOPMENT, LLC DECIDES TO PROVIDE FINANCING, PAYMENTS WILL BE MADE TO PLACITAS DEVELOPMENT, LLC THROUGH AN ESCROW COMPANY (CURRENTLY SECURITY ESCROW, INC.). THE PURCHASER WILL BE RESPONSIBLE FOR THE ESCROW SET-UP FEE DUE UPON CLOSING OF THE PROPERTY. ALL PURCHASERS OBTAINING FINANCING FROM PLACITAS DEVELOPMENT, LLC MUST INQUIRE ABOUT THE CURRENT SET-UP FEE PRIOR TO THEIR CLOSING. EACH LOAN OR REAL ESTATE CONTRACT PAYMENT MADE BY SUCH PURCHASER WILL ALSO BE SUBJECT TO AN ESCROW TRANSACTION FEE IN THE APPROXIMATE AMOUNT OF \$10.00 PER MONTH PLUS TAX BASED ON A LOAN PAYMENT OF UP TO \$999.00 FOR ONE PAYEE. THE ESCROW TRANSACTION FEE IS DUE UPON THE DUE DATE OF EACH PAYMENT. THE ESCROW TRANSACTION FEE INCREASES IF THERE IS MORE THAN ONE PAYEE MAKING THE MONTHLY PAYMENT OR IF THE LOAN PAYMENT IS OVER \$1,000.00. APPLICABLE PURCHASERS MUST CONSULT THE LATEST SCHEDULE BY SECURITY ESCROW, INC. (OR SUCH OTHER ESCROW COMPANY AS PLACITAS DEVELOPMENT, LLC MAY SELECT) REGARDING SUCH AMOUNTS. SUCH PURCHASERS ARE ALSO RESPONSIBLE FOR THE ESCROW CLOSEOUT FEE DUE UPON PAYOFF OF THE LOAN. THE ESCROW CLOSEOUT FEE IS CURRENTLY IN THE APPROXIMATE AMOUNT OF \$75.00 PLUS TAX. THE RATES SET FORTH IN THIS PARAGRAPH WILL CHANGE BASED UPON RATE CHANGES BY SECURITY ESCROW, INC. OR IF PLACITAS DEVELOPMENT, LLC CHANGES ESCROW COMPANIES. PLACITAS DEVELOPMENT, LLC RESERVES THE RIGHT TO CHANGE ESCROW COMPANIES AND MOVE THE SERVICING OF PURCHASER'S NOTE AND MORTGAGE OR REAL ESTATE CONTRACT, IF APPLICABLE, TO ANOTHER ESCROW COMPANY WITHOUT PURCHASER'S CONSENT OR PRIOR APPROVAL BUT WITH 30 DAYS ADVANCE WRITTEN NOTICE TO PURCHASER. IN SUCH EVENT, PLACITAS DEVELOPMENT, LLC SHALL PAY ALL COSTS OF SUCH TRANSFER.

G. CLOSING COSTS

PURCHASER IS RESPONSIBLE FOR THE FOLLOWING COSTS UPON THE CLOSING OF THE PURCHASE OF A LOT WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS FROM PLACITAS DEVELOPMENT, LLC: (1) PROPERTY TAXES, WHICH VARY IN AMOUNT WITH THE LOT PURCHASED AND WHICH ARE PRORATED FROM THE DATE OF CLOSING THROUGH THE END OF THE YEAR; (2) RECORDING FEES FOR DEED AND MORTGAGE OR REAL ESTATE CONTRACT, IF APPLICABLE, AT THE COUNTY CLERK'S OFFICE, CURRENTLY AT THE APPROXIMATE RATE OF \$9.00 FOR THE FIRST PAGE AND \$2.00 THEREAFTER; (3) SETTLEMENT OR CLOSING FEE PAYABLE TO THE TITLE COMPANY, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$100.00, PLUS TAX ON THE SETTLEMENT OR CLOSING FEE; (4) TITLE INSURANCE BINDER, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$25.00 PLUS TAX; (5) CONTRACT PURCHASER'S OR OWNER'S TITLE INSURANCE POLICY AT RATES PRESCRIBED IN STATE REGULATIONS AND WHICH VARY DEPENDING UPON THE AMOUNT OF THE PURCHASE PRICE OF THE SUBJECT LOT; (6) PROPERTY SURVEY, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$500.00 PLUS TAX FOR A LOT; (7) ATTORNEYS' FEES FOR STANDARD LEGAL DOCUMENT PREPARATION, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$50.00 PLUS TAX FOR A CASH PURCHASE AND \$200.00 PLUS TAX FOR PURCHASE BY REAL ESTATE CONTRACT OR NOTE AND MORTGAGE.

H. PROPERTY ASSESSMENTS AND MAINTENANCE FEES

PURCHASER IS RESPONSIBLE FOR HAVING HIS OR HER LOT ASSESSED IN HIS OR HER NAME AND FOR PAYING ALL PROPERTY TAXES EFFECTIVE JANUARY 1 OF THE YEAR FOLLOWING CLOSING.

LOTS SHALL BE SUBJECT TO ASSESSMENTS, DUES, FEES AND STANDBY CHARGES ("PROPERTY ASSESSMENTS") IMPOSED OR ASSESSED BY THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION (THE "ASSOCIATION"), THE ANASAZI TRAILS WATER COOPERATIVE (THE "WATER COOPERATIVE"), AND BY ANY UNIT OF STATE OR LOCAL GOVERNMENT HAVING JURISDICTION OVER THE LOTS.

I. REFUNDABLE COMPLETION AND COMPLIANCE FEES

PRIOR TO COMMENCING OF ANY CONSTRUCTION ON ANY LOT WITHIN PETROGLYPH TRAILS, PRELIMINARY PLANS MUST BE APPROVED BY THE ARCHITECTURAL CONTROL COMMITTEE ("ACC") OF THE ASSOCIATION. SEE THE MASTER DISCLOSURE STATEMENT AND THE PETROGLYPH TRAILS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("CCRs") FOR SPECIFIC DETAILS, INCLUDING BUT NOT LIMITED TO THE APPLICABLE FEES ASSOCIATED THEREWITH.

J. NOTE AND MORTGAGE AND REAL ESTATE CONTRACT PROVISIONS

THE FOLLOWING DESCRIPTION IS ONLY A SUMMARY OF SOME OF THE PRINCIPAL TERMS TO BE INCORPORATED IN NOTES AND MORTGAGES OR REAL ESTATE CONTRACTS BETWEEN PLACITAS DEVELOPMENT, LLC AND PURCHASERS FOR THE SALE OF LOTS IN PHASES 3 AND 5 OF PETROGLYPH TRAILS. PURCHASERS MUST CAREFULLY REVIEW ALL PURCHASE AND FINANCING DOCUMENTS AND CONSULT THEIR OWN LAWYERS, ACCOUNTANTS AND OTHER PROFESSIONALS BEFORE SIGNING ANY DOCUMENT.

INSTALLMENT PAYMENTS MUST BE MADE MONTHLY AND SHALL BE APPLIED TO THE UNPAID BALANCE OF THE NOTE AND MORTGAGE, OR, IF APPLICABLE, THE REAL ESTATE CONTRACT, AS OF THE DATE OF RECEIPT BY THE ESCROW AGENT. THE PAYMENTS SHALL BE APPLIED FIRST TO LATE CHARGES AND COSTS OF COLLECTION, THEN TO ACCRUED INTEREST AND THEN TO THE UNPAID PRINCIPAL BALANCE. THERE WILL BE A LATE CHARGE OF \$75.00 FOR ANY PAYMENT ON A LOT PURCHASE RECEIVED AFTER THE PAYMENT DUE DATE. INTEREST WILL BE CHARGED ON PAST DUE INTEREST AS WELL AS ON PAST DUE PRINCIPAL. ALL PAYMENTS SHALL BE ASSUMED TO BE REGULAR PAYMENTS, AND NOT PREPAYMENTS, UNLESS OTHERWISE SPECIFIED BY PURCHASER IN WRITING AT THE TIME THE PAYMENT IS MADE. PURCHASER MAY PREPAY THE UNPAID BALANCE IN WHOLE OR IN PART AT ANY TIME. ANY PREPAYMENT SHALL BE CREDITED FIRST TO LATE CHARGES AND COSTS OF COLLECTION, IF ANY, THEN TO ACCRUED INTEREST, THEN TO THE UNPAID PRINCIPAL BALANCE. NOTWITHSTANDING ANY PREPAYMENTS, PURCHASER SHALL THEREAFTER MAKE ALL REGULARLY SCHEDULED PAYMENTS UNTIL ALL SUMS DUE HAVE BEEN PAID IN FULL.

THE PURCHASER'S BREACH OF THE TERMS IN THE NOTE OR MORTGAGE WILL CONSTITUTE GROUNDS FOR PLACITAS DEVELOPMENT, LLC OR ITS SUCCESSOR TO DECLARE THE FULL AMOUNT OF THE LOAN PLUS ACCRUED INTEREST DUE AND PAYABLE AND TO FORECLOSE ON THE PURCHASER'S LOT, WHICH WOULD RESULT IN A JUDICIAL SALE OF THE PROPERTY. REGARDLESS OF WHETHER OR NOT PLACITAS DEVELOPMENT, LLC OR ITS SUCCESSOR EXERCISES ITS RIGHTS TO FORECLOSE ON THE LOT, PURCHASER WILL BE PERSONALLY RESPONSIBLE FOR ALL AMOUNTS OWING UNDER THE NOTE AND MORTGAGE INCLUDING ANY AMOUNTS NOT SATISFIED BY THE JUDICIAL SALE OF THE LOT.

IF THE PURCHASER HAS PURCHASED UNDER A REAL ESTATE CONTRACT RATHER THAN A NOTE AND MORTGAGE, THE PURCHASER'S BREACH OF THE TERMS OF THE REAL ESTATE CONTRACT WILL CONSTITUTE GROUNDS FOR PLACITAS DEVELOPMENT, LLC OR ITS SUCCESSOR TO DECLARE THE FULL AMOUNT OF THE CONTRACT PLUS ACCRUED INTEREST DUE AND PAYABLE AND TO PROCEED TO ENFORCE PAYMENT OF SUCH AMOUNT AGAINST THE PURCHASER PERSONALLY. ALTERNATIVELY, PLACITAS DEVELOPMENT, LLC OR ITS SUCCESSOR MAY TERMINATE PURCHASER'S RIGHTS IN AND TO THE LOT AND RETAIN ALL SUMS PAID TO THAT DATE AS LIQUIDATED DAMAGES AND ALL RIGHTS OF THE PURCHASE IN THE PROPERTY SHALL END.

IF PURCHASER BREACHES THE TERMS OF THE NOTE OR MORTGAGE OR, IF APPLICABLE, THE REAL ESTATE CONTRACT, PURCHASER WILL BE LIABLE FOR PLACITAS DEVELOPMENT, LLC'S OR ITS SUCCESSOR'S COSTS AND ATTORNEYS' FEES, AND INTEREST ON SUCH COSTS AND

FEES, FOR ENFORCING PURCHASER'S OBLIGATIONS. SUCH COSTS AND FEES SHALL INCLUDE WITHOUT LIMITATION A MINIMUM FEE OF \$100.00 FOR EACH DEFAULT NOTICE MAILED TO PURCHASER.

UNLESS OTHERWISE SPECIFICALLY AGREED IN WRITING BY PLACITAS DEVELOPMENT, LLC, IF A PURCHASER IS PURCHASING UNDER A NOTE AND MORTGAGE OR A REAL ESTATE CONTRACT, THE FULL AMOUNT OF THE NOTE OR REAL ESTATE CONTRACT MUST BE PAID PRIOR TO THE COMMENCEMENT OF CONSTRUCTION OF ANY IMPROVEMENTS ON THE LOT AND CONSTRUCTION OF ANY IMPROVEMENTS ON THE LOT PRIOR TO SUCH FULL PAYMENT SHALL CONSTITUTE A BREACH OF THE TERMS OF THE NOTE AND MORTGAGE OR REAL ESTATE CONTRACT.

PLACITAS DEVELOPMENT, LLC SHALL HAVE THE RIGHT TO ASSIGN OR OTHERWISE CONVEY ANY OR ALL OF ITS RIGHTS IN THE NOTE AND MORTGAGE OR IN THE REAL ESTATE CONTRACT TO ANOTHER PERSON OR ENTITY WITHOUT PURCHASER'S CONSENT. THIS SHALL INCLUDE THE RIGHT TO USE THE REAL ESTATE CONTRACT FOR COLLATERAL.

PURCHASER SHOULD REVIEW DOCUMENTS RELATING TO THE PURCHASER'S TRANSACTION FOR SPECIFIC LOAN TERMS.

9. **NAME AND ADDRESS OF HOLDER OF LEGAL TITLE**

PLACITAS DEVELOPMENT, LLC
01 RIDGE COURT
PLACITAS, NEW MEXICO 87043

MEMBERS OF PLACITAS DEVELOPMENT, LLC:
THOMAS J. ASHE
STEVEN M. GUEDELJ

10. **NAME AND ADDRESS OF ENTITY HAVING EQUITABLE TITLE**

PLACITAS DEVELOPMENT, LLC
01 RIDGE COURT
PLACITAS, NM 87043

11. **CONDITION OF TITLE**

A. **PRIOR ENCUMBRANCES AND RELEASE TERMS**

TRAILS INVESTORS, LLC CURRENTLY HOLDS A FIRST MORTGAGE AGAINST THE PROPERTY CONSTITUTING PHASES 3 AND 5 OF PETROGLYPH TRAILS. IF A PURCHASER IS BUYING A LOT ON A CASH BASIS OR ON A NOTE AND MORTGAGE WITH PLACITAS DEVELOPMENT, LLC, THEN PLACITAS DEVELOPMENT, LLC WILL OBTAIN A RELEASE OF THE LOT BY PAYING THE RELEASE AMOUNT AT CLOSING WITH THE DOWN PAYMENT FOR THE LOT. IF A PURCHASER IS BUYING A LOT ON A REAL ESTATE CONTRACT WITH PLACITAS DEVELOPMENT, LLC, THEN THE PURCHASER'S REAL ESTATE CONTRACT WILL BE SUBJECT TO PLACITAS DEVELOPMENT, LLC'S FINANCING WITH TRAILS INVESTORS, LLC. UNDER SUCH CIRCUMSTANCES, PLACITAS DEVELOPMENT, LLC WILL ONLY OBTAIN A RELEASE OF THE LOT FROM TRAILS INVESTORS, LLC UPON FULL PAYMENT BY THE PURCHASER OF THE REAL ESTATE CONTRACT. THE TERMS OF PLACITAS DEVELOPMENT, LLC'S FINANCING MAY CHANGE OVER TIME, AND A PURCHASER WHO IS PURCHASING UNDER A REAL ESTATE CONTRACT WITH PLACITAS DEVELOPMENT, LLC SHOULD INQUIRE AT THE TIME OF PURCHASE REGARDING THE LIENS OR CONTRACTS THAT ATTACH TO THE PURCHASER'S LOT.

B. PURCHASER'S TITLE POLICY

PURCHASER WILL RECEIVE A PURCHASER'S TITLE INSURANCE POLICY AT CLOSING, UNLESS PURCHASING UNDER A REAL ESTATE CONTRACT, IN WHICH CASE THE PURCHASER WILL RECEIVE A CONTRACT PURCHASER'S TITLE INSURANCE POLICY AT CLOSING.

12. STATEMENT OF ALL RESTRICTIONS OF RECORD SUBJECTING THE LOTS WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS TO ANY UNUSUAL CONDITIONS AFFECTING ITS USE OR OCCUPANCY

PURCHASERS SHOULD REVIEW THE MASTER DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS FOR INFORMATION REGARDING PLAT RESTRICTIONS, RESTRICTIONS IMPOSED BY THE CCRs, THE ASSOCIATION, THE WATER COOPERATIVE AND GOVERNMENTAL TAXES AND RESTRICTIONS.

13. ESCROW AGENT

SECURITY ESCROW, INC. IS CURRENTLY THE ESCROW AGENT. SECURITY ESCROW, INC.'S ADDRESS IS PO BOX 36371, ALBUQUERQUE, NEW MEXICO 87176. PLACITAS DEVELOPMENT, LLC HAS NO FINANCIAL TIES WITH SECURITY ESCROW, INC.

PLACITAS DEVELOPMENT, LLC RESERVES THE RIGHT TO CHANGE THE ESCROW AGENT TO ANOTHER ESCROW AGENT WITH WHOM PLACITAS DEVELOPMENT, LLC HAS NO FINANCIAL TIES, WITHOUT A PURCHASER'S CONSENT OR APPROVAL, SO LONG AS IT PROVIDES 30 DAYS ADVANCE WRITTEN NOTICE TO THE PURCHASER. SEE ALSO SECTION 8(F) ABOVE REGARDING ESCROW FEES ASSOCIATED WITH ANY FINANCING.

14. UTILITIES

A. ELECTRICITY

PLACITAS DEVELOPMENT, LLC HAS CONTRACTED OR WILL CONTRACT WITH THE PUBLIC SERVICE COMPANY OF NEW MEXICO (PNM) TO PROVIDE ELECTRIC SERVICE TO THE LOT LINE OF EACH LOT WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS. LOT PURCHASERS SHOULD CHECK WITH PLACITAS DEVELOPMENT, LLC FOR THE ESTIMATED TIMING OF SUCH INSTALLATION AS IT MAY BE SOME TIME AFTER A PURCHASER'S CLOSING. FURTHER, EACH LOT PURCHASER SHOULD CHECK WITH THE UTILITY COMPANY, PRIOR TO THE PURCHASE OF A LOT, FOR INFORMATION REGARDING CONNECTION COSTS. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY COMPANY REGARDING INSTALLATION OF THE ELECTRIC LINES FROM THE LOT LINE TO THE INTENDED DWELLING.

B. GAS

PLACITAS DEVELOPMENT, LLC HAS CONTRACTED OR WILL CONTRACT WITH THE GAS COMPANY OF NEW MEXICO TO PROVIDE GAS SERVICE TO THE LOT LINE OF EACH LOT WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS. LOT PURCHASERS SHOULD CHECK WITH PLACITAS DEVELOPMENT, LLC FOR THE ESTIMATED TIMING OF SUCH INSTALLATION AS IT MAY BE SOME TIME AFTER PURCHASER'S CLOSING. PURCHASER SHOULD ALSO CHECK WITH THE UTILITY COMPANY, PRIOR TO PURCHASE OF A LOT, WITH REGARD TO CURRENT CONNECTION COSTS. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY COMPANY REGARDING INSTALLATION OF THE GAS LINE FROM THE LOT LINE TO HIS/HER DWELLING.

C. WATER

THE MASTER DISCLOSURE STATEMENT SHOULD BE REVIEWED FOR INFORMATION REGARDING THE WATER COOPERATIVE WHICH WILL PROVIDE WATER TO THE LOTS IN PHASES 3 AND 5 OF PETROGLYPH TRAILS. THE MASTER DISCLOSURE STATEMENT ALSO CONTAINS INFORMATION AS TO THE SOURCE AND AVAILABILITY OF THAT WATER, THE LIFE EXPECTANCY OF THE WATER SUPPLY, LIMITATIONS AND RESTRICTIONS ON WATER USE, THE MEANS OF WATER DELIVERY AND MEMBERSHIP IN THE WATER COOPERATIVE. THE MASTER DISCLOSURE STATEMENT ALSO CONTAINS INFORMATION AS TO THE NEW MEXICO STATE ENGINEER'S OPINION ON WATER AVAILABILITY AND WATER QUALITY AND THE NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON WATER QUALITY AND ARSENIC REMEDIATION.

D. TELEPHONE AND CABLE TV

THE ENTITY CURRENTLY PROVIDING TELEPHONE SERVICE IS QWEST COMMUNICATIONS. PLACITAS DEVELOPMENT, LLC WILL MAKE TELEPHONE LINES AVAILABLE TO EACH LOT LINE. SUBJECT TO FUTURE RATE CHANGES, EACH LOT PURCHASER WILL INCUR A CHARGE ON THE INITIAL TELEPHONE BILL FOR TELEPHONE HOOK-UP ASSESSED BY QWEST COMMUNICATIONS. PLACITAS DEVELOPMENT, LLC WILL ONLY CONTRACT WITH QWEST COMMUNICATIONS FOR UP TO TWO TELEPHONE LINES PER RESIDENTIAL LOT. IF A LOT PURCHASER DESIRES MORE THAN TWO LINES, THEN SUCH PURCHASER WILL HAVE TO CHECK WITH QWEST COMMUNICATIONS FOR AVAILABILITY AND WILL HAVE TO PAY ADDITIONAL AMOUNTS FOR INSTALLATION OF THE ADDITIONAL LINES. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY REGARDING INSTALLATION OF THE TELEPHONE LINES FROM HIS/HER LOT LINE TO THE DWELLING.

IN THE PAST, SOME NEW LOT OWNERS IN THE PLACITAS AREA HAVE EXPERIENCED DELAY IN OBTAINING PHONE SERVICE. TO MINIMIZE THESE DELAYS, EACH PURCHASER IS ENCOURAGED TO ADVISE QWEST IN ADVANCE OF THE PURCHASER'S CONSTRUCTION START DATE AND TO ASK THE PURCHASER'S CONTRACTOR TO CONTACT THE COMPANY AGAIN AS SOON AS THE FOUNDATION IS IN PLACE. PLACITAS DEVELOPMENT, LLC IS NOT RESPONSIBLE FOR ANY INCONVENIENCE A PURCHASER MAY EXPERIENCE BECAUSE OF SERVICE DELAYS.

THE ENTITY CURRENTLY PROVIDING CABLE TV SERVICE IS COMCAST. PLACITAS DEVELOPMENT, LLC WILL MAKE CABLE TV LINES AVAILABLE TO EACH LOT LINE OF THE LOTS IT SELLS. SUBJECT TO FUTURE RATE CHANGES, EACH LOT PURCHASER WILL INCUR A CHARGE ON THE INITIAL CABLE TV BILL FOR CABLE HOOK-UP ASSESSED BY COMCAST. PLACITAS DEVELOPMENT, LLC WILL ONLY CONTRACT WITH COMCAST FOR ONE CABLE LINE PER RESIDENTIAL LOT. IF A RESIDENTIAL LOT PURCHASER DESIRES MORE THAN ONE CABLE TV LINE, THEN SUCH PURCHASER WILL HAVE TO CHECK WITH COMCAST FOR AVAILABILITY AND WILL HAVE TO PAY ADDITIONAL AMOUNTS FOR INSTALLATION OF THE ADDITIONAL LINES. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY REGARDING INSTALLATION OF THE CABLE TV LINE FROM HIS/HER LOT LINE TO THE DWELLING.

E. SOLID AND LIQUID WASTE (TRASH/SEPTIC)

PLACITAS DEVELOPMENT, LLC IS NOT PROVIDING LIQUID WASTE (SEPTIC) DISPOSAL OR SOLID WASTE (TRASH) DISPOSAL SERVICE.

THE MASTER DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS SHOULD BE REVIEWED FOR INFORMATION AS TO OBTAINING THESE SERVICES. THE NEW MEXICO ENVIRONMENT DEPARTMENT'S REQUIREMENTS FOR THE INSTALLATION AND MAINTENANCE OF A SEPTIC SYSTEM AND ITS OPINION ON LIQUID WASTE DISPOSAL FOR

PETROGLYPH TRAILS IS ALSO PART OF THE DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS.

LOT OWNERS MUST OBTAIN A PERMIT TO INSTALL A SEPTIC TANK. OWNERS WILL BE REQUIRED TO PROVIDE CERTAIN INFORMATION AND WILL BE REQUIRED TO PAY CERTAIN FEES IN ORDER TO OBTAIN SUCH PERMIT. IN SOME CASES, NEW MEXICO ENVIRONMENT DEPARTMENT MAY REQUIRE A LOT OWNER TO INSTALL AN UPGRADED LIQUID WASTE SYSTEM. THIS INFORMATION IS ALSO MORE FULLY EXPLAINED IN THE MASTER DISCLOSURE STATEMENT.

F. EXTRAORDINARY CONDITIONS

ANY COSTS PROVIDED BY PLACITAS DEVELOPMENT, LLC WITH REGARD TO UTILITIES ARE ESTIMATES ONLY AND ARE BASED ON THE THEN-CURRENT PRACTICES BY THE UTILITIES. ESTIMATES DO NOT TAKE INTO ACCOUNT TERRAIN CHARACTERISTICS THAT MAY MAKE IT DIFFICULT TO EXTEND THE UTILITY LINES ON A PARTICULAR LOT AND/OR TO INSTALL LIQUID WASTE DISPOSAL SYSTEMS. ADDITIONAL AMOUNTS MAY BE CHARGED FOR SUCH CONDITIONS. PLACITAS DEVELOPMENT, LLC CANNOT CURRENTLY ASCERTAIN THE DIFFICULTY OF EXTENDING LINES TO EACH HOUSE BECAUSE IT VARIES WITH THE HOUSE SITE AND THE TERRAIN CHARACTERISTICS. ESTIMATED COSTS, IF ANY, PROVIDED BY PLACITAS DEVELOPMENT, LLC WILL BE BASED ON THE ASSUMPTION THAT THE ELECTRIC, GAS, CABLE TV AND TELEPHONE LINES ARE PLACED IN ONE TRENCH. THE PURCHASER SHOULD REFER TO THE CURRENT TARIFFS AND RATE SCHEDULES FILED WITH THE NEW MEXICO PUBLIC REGULATORY COMMISSION, OR CALL THE UTILITIES DIRECTLY FOR MORE INFORMATION CONCERNING THE COSTS ASSOCIATED WITH THE EXTENSION OF UTILITY LINES. PLACITAS DEVELOPMENT, LLC HAS NO CONTROL OVER WHETHER SUCH PUBLIC UTILITY COMPANIES WILL REMAIN VIABLE IN THE FUTURE.

15. TERRAIN MANAGEMENT

THE MASTER DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS SHOULD BE REVIEWED FOR INFORMATION AS TO THE SOIL TYPES WITHIN PETROGLYPH TRAILS AND THEIR SUITABILITY FOR BUILDING, THE LIMITATIONS ON BUILDING DUE TO TOPOGRAPHY, THE PURCHASER'S DUTY TO CONSULT INDEPENDENTLY WITH A GEOTECHNICAL ENGINEER, POST-DEVELOPMENT DRAINAGE, DRAINAGE EASEMENTS AND THE FLOOD PLAIN, EXCESSIVE SLOPES, SURFACE DRAINAGE, SUBSURFACE DRAINAGE, STORM DRAINAGE SYSTEMS AND THE PURCHASER'S DUTIES REGARDING EROSION CONTROL.

THE MASTER DISCLOSURE STATEMENT ALSO DISCUSSES STORM WATER POLLUTION PLANS REQUIRED BY THE ENVIRONMENTAL PROTECTION AGENCY AND EACH LOT OWNER'S RESPONSIBILITIES IN CONNECTION THEREWITH, ALONG WITH THE CORONADO SOIL AND WATER CONSERVATION DISTRICT'S OPINION ON TERRAIN MANAGEMENT.

16. SUBDIVISION ACCESS

THE MASTER DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS SHOULD BE REVIEWED FOR INFORMATION AS TO THE ROADS THAT MAY BE USED TO ACCESS PETROGLYPH TRAILS, ACCESSIBILITY DURING SEVERE WEATHER, AND THE STATE HIGHWAY DEPARTMENT'S OPINION ON ACCESS. ALL OF THE ROADS WITHIN PHASES 3 AND 5 OF PETROGLYPH TRAILS WILL BE COMPLETED BEFORE THE FIRST LOT THEREIN IS CLOSED, IF THEY HAVE NOT ALREADY BEEN COMPLETED.

17. MAINTENANCE

THE MASTER DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS SHOULD BE REVIEWED FOR INFORMATION AS TO THE MAINTENANCE OF ROADS AND DRAINAGE

FACILITIES, OFF-LOT MAINTENANCE AND ON-LOT MAINTENANCE APPLICABLE TO ALL OF PETROGLYPH TRAILS.

18. CONSTRUCTION GUARANTEES AND COMPLETION DATES

PLACITAS DEVELOPMENT, LLC SHALL BE REQUIRED TO COMPLETE ALL PUBLIC IMPROVEMENTS WITHIN PHASES 3 AND 5 WITHIN TIME LIMITS REQUIRED BY SANDOVAL COUNTY. IT IS ANTICIPATED THAT CONSTRUCTION GUARANTEES WILL BE REQUIRED BY SANDOVAL COUNTY AND PAID FOR BY PLACITAS DEVELOPMENT, LLC IF SUCH CONSTRUCTION HAS NOT BEEN COMPLETED BEFORE THE RECORDING OF THE FINAL PLAT.

PLACITAS DEVELOPMENT, LLC SHALL BE REQUIRED TO RESEED AREAS DISTURBED BY THE CONSTRUCTION OF ROADS WITH A NATIVE SEED MIXTURE PER NEW MEXICO HIGHWAY DEPARTMENT SPECIFICATIONS.

19. ADVERSE CONDITIONS

A. UTILITY EASEMENTS

ALL LOTS ARE OR WILL BE SUBJECT TO UNDERGROUND PUBLIC UTILITY EASEMENTS AS SET FORTH IN THE FINAL PLAT FOR PHASES 3 AND 5 OF PETROGLYPH TRAILS.

B. SHARED PRIVATE ACCESS AND ACCESS CONTROL EASEMENTS

LOTS 23 AND 25 IN PHASE 4, AND LOT 24 IN PHASE 5, WILL BE BENEFITTED BY A THIRTY (30) FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 25 IN PHASE 4 AND LOT 28 IN PHASE 5. THE ROAD ON THIS EASEMENT SHALL BE MAINTAINED BY THE OWNERS BENEFITTED THEREFROM.

LOTS 18, 20 & 40 IN PHASE 3, WILL SHARE A THIRTY (30) FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 40 IN PHASE 3. THE ROAD ON THIS EASEMENT SHALL BE MAINTAINED BY THE OWNERS OF THE LOTS BENEFITTED THEREFROM.

C. OTHER ADVERSE CONDITIONS

THE MASTER DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS SHOULD BE REVIEWED FOR INFORMATION AS TO OTHER CONDITIONS A PURCHASER MAY FIND ADVERSE, INCLUDING THE GRAVEL OPERATION OF LAFARGE, ELECTROMAGNETIC FIELDS, ARSENIC IN THE WATER, TRAFFIC CONGESTION, PROPERTY VALUE RISKS AND RECREATION FACILITIES.

D. BISTI COURT AND PHASE 4

BISTI COURT WILL PROVIDE ACCESS TO FUTURE PHASE 4 AND THE PROPOSED 6 LOTS IN PHASE 4 PRELIMINARILY APPROVED BY THE PETROGLYPH TRAILS PRELIMINARY PLAT. ONLY A PORTION OF BISTI COURT HAS BEEN CONSTRUCTED AND PAVED TO DATE. (APPROXIMATELY 30' NORTH OF MIMBRES COURT.) THE PURCHASER OF PHASE 4 WILL BE RESPONSIBLE FOR THE CONSTRUCTION OF THE ROAD, THE PAVING AND UTILITIES FROM THEIR PRESENT LOCATION INTO PHASE 4 AND ALL COSTS ASSOCIATED THEREWITH.

20. INFORMATION REGARDING VARIOUS SERVICES AND FACILITIES

THE MASTER DISCLOSURE STATEMENT FOR ALL OF PETROGLYPH TRAILS SHOULD BE REVIEWED FOR INFORMATION AS TO FIRE PROTECTION, POLICE PROTECTION, PUBLIC SCHOOLS, HOSPITALS, SHOPPING FACILITIES AND PUBLIC TRANSPORTATION.

EXHIBIT "A"

ATTACH THE FINAL PLAT FOR PHASES 3 AND 5

Placitas Development, LLC has agreed that its interest in Phases 3 and 5 of the Petroglyph Trails subdivision (and the lots created or to be created therein) will be subject to the master Disclosure Statement for the Petroglyph Trails subdivision which was recorded on ~~May 15~~^{DELETED} 2011, in Book ___ at Page ___ as Document _____, in the records of the Sandoval County Clerk.

Placitas Development, LLC

By: [Signature]
Thomas J. Ashe, Member

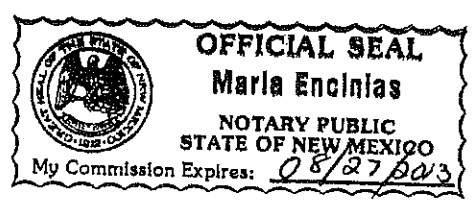
ACKNOWLEDGMENT

STATE OF NEW MEXICO)
COUNTY OF Sandoval)


The foregoing instrument was acknowledged before me this 15th day of ~~May~~^{December}, 2011, by Thomas J. Ashe, a Member of Placitas Development, LLC, a New Mexico limited liability company, on behalf of said company.

[Signature]
NOTARY PUBLIC

My Commission Expires:
08/27/2013



APPROVED:



Darryl Madalena, Chairman, Sandoval County
Board of County Commissioners

12/15/11
Date

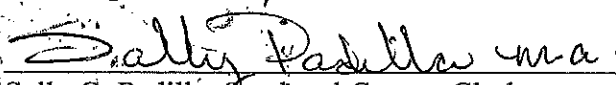
APPROVED:



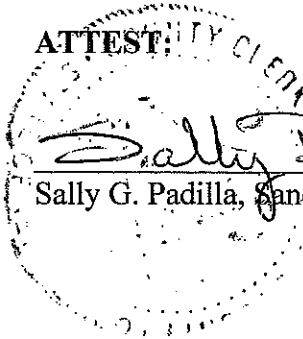
Brad Stebleton, Senior Planner, Sandoval County

12-16-11
Date

ATTEST:



Sally G. Padilla, Sandoval County Clerk



12-16-11
Date

2011029796 12/16/2011 02:53:35 PM B: 414 P: 29796

DISCLOSURE STATEMENT Pg. 1 of 188

Sally G. Padilla, Sandoval County Clerk



DISCLOSURE STATEMENT

PETROGLYPH TRAILS SUBDIVISION

PLEASE READ THIS DISCLOSURE STATEMENT

BEFORE YOU

SIGN ANY DOCUMENTS OR AGREE TO ANYTHING

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DISCLOSURE STATEMENT

PETROGLYPH TRAILS SUBDIVISION

DATE: DECEMBER 16, 2011

PLEASE READ THIS DISCLOSURE STATEMENT

BEFORE YOU SIGN ANY DOCUMENTS OR AGREE TO ANYTHING

This disclosure statement is intended to provide you with enough information to permit you to make an informed decision on the purchase, lease or acquisition of property described in this statement. You should read carefully all of the information contained in this statement before you decide to purchase, lease or otherwise acquire the described property.

Various public agencies may have issued opinions on both the subdivision proposal and the information contained in this disclosure statement. Summaries of these opinions are contained in this disclosure statement. They may be favorable or unfavorable. You should read them closely.

The Board of County Commissioners has examined this disclosure statement to determine whether the subdivider can fulfill what the subdivider has said in this disclosure statement. However, the Board of County Commissioners does not vouch for the accuracy of what is said in this disclosure statement. In addition, this disclosure statement is not a recommendation or endorsement of the subdivision by either the County or the State. It is informative only.

The Board of County Commissioners recommends that you inspect the property before purchasing, leasing or otherwise acquiring it.

If you have not inspected the parcel before purchasing, leasing or otherwise acquiring it, you have six (6) months from the time of purchase, lease or other acquisition to personally inspect the property. After inspecting the parcel within the six (6) month period, you have three (3) days to rescind the transaction and receive all your money back from the subdivider when merchantable title is revested in the subdivider. To rescind the transaction you must give the subdivider written notice of your intent to rescind within three (3) days after the date of your inspection of the property.

County regulations require that any deed, real estate contract, lease or other instrument conveying an interest in a parcel in the subdivision be recorded with the County Clerk.

Building permits, wastewater permits or other use permits must be issued by state or county officials before improvements are constructed. You should investigate the availability of such permits before you purchase, lease or otherwise acquire an interest in the land. You should also determine whether such permits are requirements for construction of additional improvements before you occupy the property.

1. **NAME OF SUBDIVISION AND DESCRIPTION OF DEVELOPMENT**

A. **NAME OF SUBDIVISION**

PETROGLYPH TRAILS SUBDIVISION

B. **DESCRIPTION OF SUBDIVISION DEVELOPMENT**

PETROGLYPH TRAILS SUBDIVISION CONSISTS OF APPROXIMATELY 217 ACRES LOCATED NORTH OF NEW MEXICO HIGHWAY 165 IN PLACITAS, SANDOVAL COUNTY, NEW MEXICO. A PRELIMINARY PLAT OF THE SUBDIVISION WAS APPROVED IN JULY, 2007 AND THEN MODIFIED TO INCORPORATE COMMENTS AND RECOMMENDATIONS BY THE COUNTY ENGINEERS IN MAY, 2008. THEREAFTER THE SUBDIVISION HAS BEEN DIVIDED INTO THIRTEEN (13) PHASES FOR PURPOSES OF DEVELOPMENT. ON FEBRUARY 10, 2009 A SMALL PORTION OF WHAT CONSTITUTES THE SUBDIVISION WAS FINAL PLATTED INTO WHAT IS KNOWN NOW AS LOT 8, PHASE 1-A, AND A SANDOVAL COUNTY FIRE STATION HAS ALREADY BEEN BUILT THEREON.

THE FIRE STATION LOT IS THE FIRST OF THE THIRTEEN (13) PHASES OF DEVELOPMENT OF THE SUBDIVISION TO BE FINAL PLATTED. IT IS ANTICIPATED THAT THE REMAINING TWELVE (12) PHASES WILL BE FINAL PLATTED AND DEVELOPED EITHER BY THE SUBDIVIDER OR BY SUCH OTHER PERSONS OR ENTITIES TO WHOM THE PROPERTY CONSTITUTING SUCH PHASES MAY BE CONVEYED. ELEMENTS OF THE SUBDIVISION HAVE EVOLVED FROM WHAT IS DEPICTED IN THE 2007 PRELIMINARY PLAT, AND ITS 2008 MODIFICATIONS, AND THE CURRENT ANTICIPATED DEVELOPMENT OF THE SUBDIVISION'S TWELVE (12) REMAINING PHASES, AND THE NUMBERING OF EACH LOT (WHICH IN SOME CASES VARIES FROM WHAT IS SET FORTH IN THE PRELIMINARY PLAT), ARE DEPICTED IN THE PHASING PLAN APPROVED BY SANDOVAL COUNTY ON MARCH 17, 2011. A COPY OF THE CURRENT PHASING PLAN OF THE SUBDIVISION, SHOWING EACH PHASE IS ATTACHED HERETO AS **EXHIBIT A(1)**. THE 2008 PRELIMINARY PLAT (MISLABELED "FINAL PLAT") IS ATTACHED HERETO AS **EXHIBIT A(2)**. THE COUNTY ENGINEERS' COMMENTS AND RECOMMENDATIONS INCORPORATED INTO THE 2008 PRELIMINARY PLAT ARE ATTACHED HERETO AS **EXHIBIT A(3)**.

THE LOTS WITHIN EACH PHASE WILL BE DEVELOPED BY THE SUBDIVIDER, OR BY SUCH OTHER PERSONS OR ENTITIES AS MAY ACQUIRE ONE OR MORE OF THE PHASES. REQUIREMENTS BY SANDOVAL COUNTY FOR INFRASTRUCTURE IMPROVEMENTS AND THE FINANCIAL GUARANTEE THEREOF SHALL BE DETERMINED IN CONNECTION WITH THE RECORDING OF THE FINAL PLAT FOR EACH PHASE. TO THE EXTENT THE SUBDIVIDER, OR SUCH PERSONS OR ENTITIES AS MAY ACQUIRE ONE OR MORE OF THE PHASES, WISHES TO RECONFIGURE OR REZONE THE LOTS WITHIN A PHASE, SUCH RECONFIGURATION AND/OR REZONING WOULD BE SUBJECT TO THE APPROVAL OF THE SUBDIVIDER AND THE SANDOVAL COUNTY COMMISSION. FURTHER, ALTHOUGH THE SUBDIVIDER UNDERSTANDS THAT UNDERLYING ENTITLEMENTS RELATED TO THE PRELIMINARY PLAT ARE CURRENTLY AVAILABLE UNTIL FEBRUARY 10, 2012, SUBDIVIDER ALSO UNDERSTANDS THAT EACH TIME A FINAL PLAT IS RECORDED FOR A PHASE WITHIN THE SUBDIVISION THAT DEADLINE WILL BE EXTENDED BY THREE YEARS. HOWEVER, SUBDIVIDER MAKES NO REPRESENTATIONS OR WARRANTIES WITH REGARD TO THE SAME. FURTHER, ALTHOUGH IT MAY BE POSSIBLE TO REQUEST, PRIOR TO AN ENTITLEMENT DEADLINE EXPIRATION DATE, AN EXTENSION THEREOF WITH RESPECT TO ONE OR MORE OF THE PHASES, THE SUBDIVIDER MAKES NO REPRESENTATION AS TO WHETHER ANY SUCH EXTENSION REQUEST WOULD BE APPROVED.

DISCLOSURES HEREIN WITH RESPECT TO INDIVIDUAL LOTS ASSUME THE SELLER OF SUCH LOTS WILL BE THE SUBDIVIDER AND FURTHER ASSUME THAT THE FINAL PLAT FOR EACH PHASE WILL CONTAIN THE LOT CONFIGURATIONS AS SET FORTH IN THE CURRENT PHASING PLAN. IF SUBDIVIDER SELLS A PHASE TO A PERSON OR ENTITY WHICH THEREAFTER SELLS LOTS WITHIN SUCH PHASE, AND/OR RECONFIGURES AND SELLS LOTS WITHIN SUCH PHASE, THE SUBDIVIDER CANNOT AND DOES NOT PROVIDE DISCLOSURES WITH REGARD TO SUCH

LOTS. THIS DISCLOSURE STATEMENT IS STRICTLY FOR PERSONS PURCHASING LOTS AND PHASES FROM THE SUBDIVIDER, TRAILS INVESTORS, LLC.

C. POSSIBLE ANNEXATION, REZONING, REPLATTING

THE SUBDIVIDER RESERVES THE RIGHT (PRIOR TO OR IN CONNECTION WITH THE SALE OF A PHASE) TO REZONE AND REPLAT LOTS WITHIN SAID PHASE. THE SUBDIVIDER ALSO RESERVES THE RIGHT (PRIOR TO OR IN CONNECTION WITH SUCH SALE) TO ANNEX ONE OR MORE OF THE BELOW LISTED PHASES TO THE TOWN OF BERNALILLO.

PHASES THAT MAY BE ANNEXED TO THE TOWN OF BERNALILLO, AND/OR MAY BE REZONED AND REPLATTED FOR COMMERCIAL/LIGHT INDUSTRIAL USE ARE: PHASES 2, 12 AND 13.

OTHER PHASES MAY BE SUBJECT TO ANNEXATION IF THEY ARE CONTIGUOUS TO A PHASE THAT HAS ALREADY BEEN ANNEXED, WITH THE EXCEPTION OF PHASES 3, 4, 5 AND 8 WHICH WILL NOT BE PERMITTED TO BE ANNEXED.

THE PHASES THAT MAY BE REZONED FOR MULTIFAMILY USE ARE: PHASES 2, 6, 7, 8, 9, 10, 11, 12 AND 13.

LIKEWISE, TO THE EXTENT SUBDIVIDER SELLS ANY OF THE PHASES TO OTHER DEVELOPERS, RATHER THAN ITSELF SELLING THE INDIVIDUAL LOTS WITHIN THE PHASES AS SHOWN ON THE PHASING PLAN TO END USERS WISHING TO BUILD THEREON, SUCH PURCHASER(S) SHALL LIKEWISE HAVE THE ABILITY TO REZONE AND REPLAT LOTS WITHIN SAID PHASES, AND/OR TO SEEK ANNEXATION OF THE SAME TO THE TOWN OF BERNALILLO (OTHER THAN PHASES 3, 4, 5 AND 8), SUBJECT HOWEVER TO THE APPROVAL OF SUBDIVIDER AND THE APPROVAL OF THE APPLICABLE GOVERNMENTAL AGENCIES.

2. NAME AND ADDRESS OF SUBDIVIDER/DEVELOPER

TRAILS INVESTORS, LLC
01 RIDGE COURT
PLACITAS, NEW MEXICO 87043

3. NAME AND ADDRESS OF PERSON IN CHARGE OF SALES OR LEASES IN NEW MEXICO

STEVEN M. GUEDELJ AND/OR THOMAS J. ASHE
01 RIDGE COURT
PLACITAS, NEW MEXICO 87043

4. SIZE OF SUBDIVISION ANTICIPATED AND OPEN SPACE TRACT

132 LOTS AND ONE TRACT ARE WITHIN THE 14 PHASES SHOWN ON THE CURRENT PHASING PLAN. SEE **EXHIBIT A-1**. AS MORE FULLY DESCRIBED IN SECTION 1(C) ABOVE, SOME PHASES MAY BE REZONED INTO MULTI-FAMILY OR COMMERCIAL/LIGHT INDUSTRIAL USE LOTS.

PHASE 1-A HAS ALREADY BEEN DEVELOPED INTO A SANDOVAL COUNTY FIRE STATION.

THE TRACT (TO BE KNOWN AS TRACT "E") IS CURRENTLY TRACT A-1 OF THE ANASAZI MEADOWS SUBDIVISION BUT IS OWNED BY THE SUBDIVIDER. IT IS ANTICIPATED THAT SAID TRACT WILL BE INCLUDED AS PART OF PHASE 6 WHEN PHASE 6 IS FINAL PLATTED. IN SUCH EVENT, SAID TRACT SHALL BE RESERVED FOR OPEN SPACE AND WILL NOT BE SUBDIVIDED INTO LOTS. IN SUCH EVENT, THE SUBDIVIDER RESERVES THE RIGHT TO CONVEY THE OPEN SPACE TRACT TO PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC. AND SUBDIVIDER WILL BUILD AN ACCESS ROAD TO SERVE THE OPEN SPACE TRACT, WHICH ROAD SHALL BE MAINTAINED BY THE PETROGLYPH TRAILS PROPERTY OWNERS'

ASSOCIATION. LOT 52 IN PHASE 6, AS DEPICTED ON THE PHASING PLAN, WOULD BE BURDENED WITH AN EASEMENT FOR SAID ACCESS ROAD.

5. **SIZE OF LARGEST LOT OFFERED FOR SALE OR LEASE WITHIN THE SUBDIVISION**

APPROXIMATELY 17.4001 ACRES. IF THE LOTS DEPICTED IN THE PHASING PLAN ARE RETAINED "AS IS" UPON THE FINAL PLAT OF EACH PHASE THE LARGEST LOT THEREIN IS CURRENTLY APPROXIMATELY 17.6 ACRES.

6. **SIZE OF SMALLEST LOT FOR SALE OR LEASE WITHIN THE SUBDIVISION**

APPROXIMATELY 0.75 ACRES. IF THE LOTS DEPICTED IN THE PHASING PLAN ARE RETAINED "AS IS" UPON THE FINAL PLAT OF EACH PHASE, THE SMALLEST SINGLE-FAMILY LOT THEREIN IS CURRENTLY .75 ACRES.

7. **PROPOSED RANGE OF SELLING OR LEASING PRICES**

SALE TO INDIVIDUAL LOT PURCHASERS: \$100,000 TO \$200,000 FOR THE PURCHASE OF A LOT, IF SOLD BY SUBDIVIDER. THESE FIGURES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

SALE OF AN ENTIRE PHASE TO A DEVELOPER/BUILDER: \$50,000 TO \$ 100,000 PER ACRE FOR THE PURCHASE OF AN ENTIRE PHASE. THESE FIGURES ARE SUBJECT TO CHANGE, WITHOUT NOTICE.

THE SUBDIVIDER MAKES NO REPRESENTATION AS TO THE PRICING THAT MAY BE EMPLOYED BY A PERSON OR ENTITY WHO PURCHASES A PHASE FROM THE SUBDIVIDER AND THEREAFTER SELLS LOTS WITHIN SUCH PHASE.

8. **FINANCING TERMS**

A. **TRAILS INVESTORS, LLC DISCRETION TO PROVIDE FINANCING**

AT ITS SOLE DISCRETION, TRAILS INVESTORS, LLC MAY OFFER FINANCING, VIA A NOTE AND MORTGAGE, TO A LIMITED NUMBER OF QUALIFIED PURCHASERS. TRAILS INVESTORS, LLC MAY ALSO SELL PHASES OR LOTS TO BUILDERS ONLY ON A REAL ESTATE CONTRACT. TRAILS INVESTORS, LLC, HAS NO OBLIGATION TO OFFER FINANCING AND RESERVES THE RIGHT TO DISCONTINUE DOING SO AT ANY TIME, TO CHANGE ITS FINANCING TERMS AT ANY TIME, AND TO DENY FINANCING TO ANY PERSON AT TRAILS INVESTORS LLC'S SOLE DISCRETION.

B. **FEES AND COSTS ARE ESTIMATES ONLY**

THE FEES AND COSTS STATED IN THIS SECTION 8 ARE ESTIMATES ONLY AND HAVE BEEN BASED ON A TYPICAL PURCHASE AND SALE TRANSACTION. TRAILS INVESTORS, LLC DOES NOT REPRESENT, WARRANT OR GUARANTEE THAT SUCH TERMS OR AMOUNTS WILL REMAIN THE SAME AND STATES THAT SUCH AMOUNTS ARE ALL SUBJECT TO RATE CHANGES. MOREOVER, THE FEES AND COSTS STATED BELOW DO NOT INCLUDE TYPES OF FEES OR COSTS THAT TRAILS INVESTORS, LLC RESERVES THE RIGHT TO ASSESS AS ADDITIONAL FEES AND COSTS. PURCHASER SHOULD REVIEW THE PURCHASE AGREEMENT AND THE LOAN AND CLOSING DOCUMENTS RELATING TO THE PURCHASER'S TRANSACTION FOR SPECIFIC LOAN TERMS AND FOR THE SPECIFIC AMOUNTS TO BE PAID BY PURCHASER.

C. **INTEREST RATE**

TRAILS INVESTORS, LLC MAY PROVIDE FINANCING TO A LIMITED NUMBER OF QUALIFIED PURCHASERS. THE INTEREST RATE CHARGED TO ANY PURCHASER FOR WHOM TRAILS

INVESTORS, LLC AGREES TO PROVIDE FINANCING WILL BE NEGOTIATED BASED ON THEN-EXISTING MARKET CONDITIONS.

D. TERM OF NOTE AND MORTGAGE OR REAL ESTATE CONTRACT

TRAILS INVESTORS, LLC MAY PROVIDE FINANCING TO A LIMITED NUMBER OF QUALIFIED LOT PURCHASERS ON A TEN (10) YEAR AMORTIZATION WITH THE ENTIRE BALANCE DUE IN FIVE (5) YEARS. IN THE CASE OF PURCHASERS OF AN ENTIRE PHASE, THE TERMS OF SUCH NOTE AND MORTGAGE OR REAL ESTATE CONTRACT SHALL BE THE SUBJECT OF NEGOTIATION BETWEEN THE PARTIES.

E. MINIMUM DOWN PAYMENT

TO THE EXTENT TRAILS INVESTORS, LLC DECIDES TO PROVIDE FINANCING TO A QUALIFIED LOT PURCHASER, IT WILL BE WITH A MINIMUM DOWN OF TWENTY PERCENT (20%) OF THE PURCHASE PRICE. THE TERMS OF ANY FINANCING TO A QUALIFIED PHASE PURCHASER SHALL BE SUBJECT TO NEGOTIATION BETWEEN THE PARTIES.

F. ESCROW FEES

IF TRAILS INVESTORS, LLC DECIDES TO PROVIDE FINANCING, PAYMENTS WILL BE MADE TO TRAILS INVESTORS, LLC THROUGH AN ESCROW COMPANY (CURRENTLY SECURITY ESCROW, INC.). THE PURCHASER WILL BE RESPONSIBLE FOR THE ESCROW SET-UP FEE DUE UPON CLOSING OF THE PROPERTY. ALL PURCHASERS OBTAINING FINANCING FROM TRAILS INVESTORS, LLC MUST INQUIRE ABOUT THE CURRENT SET-UP FEE PRIOR TO THEIR CLOSING. EACH LOAN OR REAL ESTATE CONTRACT PAYMENT MADE BY SUCH PURCHASER WILL ALSO BE SUBJECT TO AN ESCROW TRANSACTION FEE IN THE APPROXIMATE AMOUNT OF \$10.00 PER MONTH PLUS TAX BASED ON A LOAN PAYMENT OF UP TO \$999.00 FOR ONE PAYEE. THE ESCROW TRANSACTION FEE IS DUE UPON THE DUE DATE OF EACH LOAN PAYMENT. THE ESCROW TRANSACTION FEE INCREASES IF THERE IS MORE THAN ONE PAYEE MAKING THE MONTHLY PAYMENT OR IF THE LOAN PAYMENT IS OVER \$1,000.00. APPLICABLE PURCHASERS MUST CONSULT THE LATEST SCHEDULE BY SECURITY ESCROW, INC. (OR SUCH OTHER ESCROW COMPANY AS TRAILS INVESTORS, LLC MAY SELECT) REGARDING SUCH AMOUNTS. SUCH PURCHASERS ARE ALSO RESPONSIBLE FOR THE ESCROW CLOSEOUT FEE DUE UPON PAYOFF OF THE LOAN. THE ESCROW CLOSEOUT FEE IS CURRENTLY IN THE APPROXIMATE AMOUNT OF \$75.00 PLUS TAX. THE RATES SET FORTH IN THIS PARAGRAPH WILL CHANGE BASED UPON RATE CHANGES BY SECURITY ESCROW, INC. OR IF TRAILS INVESTORS, LLC CHANGES ESCROW COMPANIES. TRAILS INVESTORS, LLC RESERVES THE RIGHT TO CHANGE ESCROW COMPANIES AND MOVE THE SERVICING OF PURCHASER'S NOTE AND MORTGAGE OR REAL ESTATE CONTRACT, IF APPLICABLE, TO ANOTHER ESCROW COMPANY WITHOUT PURCHASER'S CONSENT OR PRIOR APPROVAL BUT WITH 30 DAYS ADVANCE WRITTEN NOTICE TO PURCHASER. (TRAILS INVESTORS, LLC SHALL PAY ALL COSTS OF SUCH TRANSFER.)

G. CLOSING COSTS

PURCHASER IS RESPONSIBLE FOR THE FOLLOWING COSTS UPON THE CLOSING OF THE PURCHASE OF A LOT IN THE SUBDIVISION: (1) PROPERTY TAXES, WHICH VARY IN AMOUNT WITH THE PROPERTY PURCHASED AND WHICH ARE PRORATED FROM THE DATE OF CLOSING THROUGH THE END OF THE YEAR; (2) RECORDING FEES FOR DEED AND MORTGAGE OR REAL ESTATE CONTRACT, IF APPLICABLE, AT THE COUNTY CLERK'S OFFICE CURRENTLY AT THE APPROXIMATE RATE OF \$9.00 FOR THE FIRST PAGE AND \$2.00 THEREAFTER; (3) SETTLEMENT OR CLOSING FEE PAYABLE TO THE TITLE COMPANY, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$100.00, PLUS TAX ON THE SETTLEMENT OR CLOSING FEE; (4) TITLE INSURANCE BINDER, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$25.00 PLUS TAX; (5) CONTRACT PURCHASER'S OR OWNER'S TITLE INSURANCE POLICY AT RATES PRESCRIBED IN STATE REGULATIONS AND WHICH VARY DEPENDING UPON THE AMOUNT OF THE PURCHASE PRICE

OF THE SUBJECT PHASE OR LOT; (6) PROPERTY SURVEY, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$500.00 PLUS TAX FOR A LOT (THE AMOUNT FOR A PHASE WILL VARY); (7) ATTORNEYS' FEES FOR STANDARD LEGAL DOCUMENT PREPARATION, CURRENTLY IN THE APPROXIMATE AMOUNT OF \$50.00 PLUS TAX FOR A CASH PURCHASE AND \$200.00 PLUS TAX FOR PURCHASE BY REAL ESTATE CONTRACT OR NOTE AND MORTGAGE. **CLOSING COSTS IN CONNECTION WITH THE PURCHASE OF AN ENTIRE PHASE ARE SUBJECT TO NEGOTIATION BETWEEN THE SUBDIVIDER AND SUCH PURCHASER.**

H. PROPERTY ASSESSMENTS AND MAINTENANCE FEES

PURCHASER IS ALSO RESPONSIBLE FOR HAVING HIS OR HER PHASE OR LOT ASSESSED IN HIS OR HER NAME AND FOR PAYING ALL PROPERTY TAXES EFFECTIVE JANUARY 1 OF THE YEAR FOLLOWING CLOSING. PHASES AND LOTS SHALL BE SUBJECT TO ASSESSMENTS, DUES, FEES AND STANDBY CHARGES ("PROPERTY ASSESSMENTS") IMPOSED OR ASSESSED BY THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, THE ANASAZI TRAILS WATER COOPERATIVE (TO THE EXTENT THE PHASES OR LOTS ARE SERVED BY SUCH COOPERATIVE) AND BY ANY UNIT OF STATE OR LOCAL GOVERNMENT HAVING JURISDICTION OVER THE PROPERTY.

I. REFUNDABLE COMPLETION AND COMPLIANCE FEE

THE PETROGLYPH TRAILS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("CCRs") REQUIRES THAT PRIOR TO COMMENCING CONSTRUCTION ON ANY LOT OR PHASE PRELIMINARY PLANS MUST BE SUBMITTED TO THE ARCHITECTURAL CONTROL COMMITTEE (ACC) FOR APPROVAL. THE PLANS MUST BE ACCOMPANIED BY A NONREFUNDABLE REVIEW FEE (CURRENTLY \$300, PLUS APPLICABLE GROSS RECEIPTS TAX THEREON FOR SINGLE-FAMILY RESIDENTIAL LOTS) AND A REFUNDABLE COMPLIANCE DEPOSIT (CURRENTLY \$3,500 FOR SINGLE-FAMILY RESIDENTIAL LOTS). PURCHASERS OF AN ENTIRE PHASE, OR THOSE DEVELOPING MULTI-FAMILY OR COMMERCIAL LOTS, SHOULD CHECK WITH THE ACC WITH REGARD TO REVIEW AND COMPLIANCE FEES APPLICABLE TO THEM. THE COMPLIANCE DEPOSIT WILL BE REFUNDED UPON COMPLETION OF CONSTRUCTION IN ACCORDANCE WITH THE PLANS, AND SATISFACTION OF ALL REQUIREMENTS IMPOSED BY THE ACC. THE ACC WILL HAVE THE RIGHT TO SPEND OR WITHHOLD AS PENALTIES ALL OR A PORTION OF THE COMPLIANCE DEPOSIT, WITHOUT RECOURSE, TO ACCOMPLISH ITEMS NOT ACCOMPLISHED IN A TIMELY MANNER BY A LOT OWNER OR HIS/HER BUILDER, OR BY A PHASE OWNER, FOR EXAMPLE, WITHOUT LIMITATION, TRASH REMOVAL, DAMAGE TO NEIGHBORING PROPERTY, ATTORNEYS' FEES IN CONNECTION WITH COMPLIANCE ISSUES, AND OTHER ITEMS SUCH AS FINES INCURRED DURING CONSTRUCTION. THE ACC RESERVES THE RIGHT TO INCREASE THE AMOUNT OF THE REVIEW FEE AND THE COMPLIANCE DEPOSIT IF DEEMED NECESSARY. PLEASE ASK FOR ALL CURRENT ACC RULES BEYOND WHAT IS RECORDED IN THE COVENANTS, CONDITIONS AND RESTRICTIONS. PURCHASERS OF PHASES SHOULD CONSULT WITH THE SUBDIVIDER AND ACC FOR INFORMATION REGARDING FEES ASSOCIATED WITH DEVELOPMENT OF A PHASE.

J. NOTE AND MORTGAGE AND REAL ESTATE CONTRACT PROVISIONS

THE FOLLOWING DESCRIPTION IS ONLY A SUMMARY OF SOME OF THE PRINCIPAL TERMS TO BE INCORPORATED IN NOTES AND MORTGAGES OR REAL ESTATE CONTRACTS BETWEEN TRAILS INVESTORS, LLC AND PURCHASERS FOR THE SALE OF PHASES OR LOTS IN THE SUBDIVISION. PURCHASERS MUST CAREFULLY REVIEW ALL PURCHASE AND FINANCING DOCUMENTS AND CONSULT THEIR OWN LAWYERS, ACCOUNTANTS AND OTHER PROFESSIONALS BEFORE SIGNING ANY DOCUMENT.

INSTALLMENT PAYMENTS MUST BE MADE MONTHLY AND SHALL BE APPLIED TO THE UNPAID BALANCE OF THE NOTE AND MORTGAGE, OR, IF APPLICABLE, THE REAL ESTATE CONTRACT, AS OF THE DATE OF RECEIPT BY THE ESCROW AGENT. THE PAYMENTS SHALL BE APPLIED FIRST TO LATE CHARGES AND COSTS OF COLLECTION, THEN TO ACCRUED

INTEREST AND THEN TO THE UNPAID PRINCIPAL BALANCE. THERE WILL BE A LATE CHARGE OF \$75.00 FOR ANY PAYMENT ON A LOT PURCHASE RECEIVED AFTER THE PAYMENT DUE DATE. LATE CHARGES ON ANY PAYMENT ON A PHASE PURCHASE SHALL BE THE SUBJECT OF NEGOTIATION BETWEEN THE PARTIES PRIOR TO THE EXECUTION OF THE APPLICABLE NOTE AND MORTGAGE, OR REAL ESTATE CONTRACT. INTEREST WILL BE CHARGED ON PAST DUE INTEREST AS WELL AS ON PAST DUE PRINCIPAL. ALL PAYMENTS SHALL BE ASSUMED TO BE REGULAR PAYMENTS, AND NOT PREPAYMENTS, UNLESS OTHERWISE SPECIFIED BY PURCHASER IN WRITING AT THE TIME THE PAYMENT IS MADE. PURCHASER MAY PREPAY THE UNPAID BALANCE IN WHOLE OR IN PART AT ANY TIME. ANY PREPAYMENT SHALL BE CREDITED FIRST TO LATE CHARGES AND COSTS OF COLLECTION, IF ANY, THEN TO ACCRUED INTEREST, THEN TO THE UNPAID PRINCIPAL BALANCE. NOTWITHSTANDING ANY PREPAYMENTS PURCHASER SHALL THEREAFTER MAKE ALL REGULARLY SCHEDULED PAYMENTS UNTIL ALL SUMS DUE HAVE BEEN PAID IN FULL.

THE PURCHASER'S BREACH OF THE TERMS IN THE NOTE OR MORTGAGE WILL CONSTITUTE GROUNDS FOR TRAILS INVESTORS, LLC OR ITS SUCCESSOR TO DECLARE THE FULL AMOUNT OF THE LOAN PLUS ACCRUED INTEREST DUE AND PAYABLE AND TO FORECLOSE ON THE PURCHASER'S PHASE OR LOT WHICH WOULD RESULT IN A JUDICIAL SALE OF THE PROPERTY. REGARDLESS OF WHETHER OR NOT TRAILS INVESTORS, LLC OR ITS SUCCESSOR EXERCISES ITS RIGHTS TO FORECLOSE ON THE PROPERTY, PURCHASER WILL BE PERSONALLY RESPONSIBLE FOR ALL AMOUNTS OWING UNDER THE NOTE AND MORTGAGE INCLUDING ANY AMOUNTS NOT SATISFIED BY THE JUDICIAL SALE OF THE PROPERTY.

IF THE PURCHASER HAS PURCHASED UNDER A REAL ESTATE CONTRACT RATHER THAN A NOTE AND MORTGAGE, THE PURCHASER'S BREACH OF THE TERMS OF THE REAL ESTATE CONTRACT WILL CONSTITUTE GROUNDS FOR TRAILS INVESTORS, LLC OR ITS SUCCESSOR TO DECLARE THE FULL AMOUNT OF THE CONTRACT PLUS ACCRUED INTEREST DUE AND PAYABLE AND TO PROCEED TO ENFORCE PAYMENT OF SUCH AMOUNT AGAINST THE PURCHASER PERSONALLY. ALTERNATIVELY, TRAILS INVESTORS, LLC OR ITS SUCCESSOR MAY TERMINATE PURCHASER'S RIGHTS IN AND TO THE PROPERTY AND RETAIN ALL SUMS PAID TO THAT DATE AS LIQUIDATED DAMAGES AND ALL RIGHTS OF THE PURCHASE IN THE PROPERTY SHALL END.

IF PURCHASER BREACHES THE TERMS OF THE NOTE OR MORTGAGE OR, IF APPLICABLE, THE REAL ESTATE CONTRACT, PURCHASER WILL BE LIABLE FOR TRAILS INVESTORS, LLC'S OR ITS SUCCESSOR'S COSTS AND ATTORNEYS' FEES, AND INTEREST ON SUCH COSTS AND FEES, FOR ENFORCING PURCHASER'S OBLIGATIONS. SUCH COSTS AND FEES SHALL INCLUDE WITHOUT LIMITATION A MINIMUM FEE OF \$100.00 FOR EACH DEFAULT NOTICE MAILED TO PURCHASER.

UNLESS OTHERWISE SPECIFICALLY AGREED IN WRITING BY TRAILS INVESTORS, LLC, IF A PURCHASER IS PURCHASING UNDER A NOTE AND MORTGAGE OR A REAL ESTATE CONTRACT, THE FULL AMOUNT OF THE NOTE OR REAL ESTATE CONTRACT MUST BE PAID PRIOR TO THE COMMENCEMENT OF CONSTRUCTION OF ANY IMPROVEMENTS ON THE PROPERTY AND CONSTRUCTION OF ANY IMPROVEMENTS ON THE PROPERTY PRIOR TO SUCH FULL PAYMENT SHALL CONSTITUTE A BREACH OF THE TERMS OF THE NOTE AND MORTGAGE OR REAL ESTATE CONTRACT.

TRAILS INVESTORS, LLC SHALL HAVE THE RIGHT TO ASSIGN OR OTHERWISE CONVEY ANY OR ALL OF ITS RIGHTS IN THE NOTE AND MORTGAGE OR IN THE REAL ESTATE CONTRACT TO ANOTHER PERSON OR ENTITY WITHOUT PURCHASER'S CONSENT. THIS SHALL INCLUDE THE RIGHT TO USE THE REAL ESTATE CONTRACT FOR COLLATERAL.

PURCHASER SHOULD REVIEW DOCUMENTS RELATING TO THE PURCHASER'S TRANSACTION FOR SPECIFIC LOAN TERMS.

9. **NAME AND ADDRESS OF HOLDER OF LEGAL TITLE**

TRAILS INVESTORS, LLC
01 RIDGE COURT
PLACITAS, NEW MEXICO 87043

MEMBERS OF TRAILS INVESTORS, LLC:
THOMAS J. ASHE
STEVEN M. GUDELJ
GUDELJ FAMILY LIMITED PARTNERSHIP
ANNETTE M. ACKERMAN

10. **NAME AND ADDRESS OF ENTITY HAVING EQUITABLE TITLE**

TRAILS INVESTORS, LLC
01 RIDGE COURT
PLACITAS, NM 87043

11. **CONDITION OF TITLE**

A. **PRIOR ENCUMBRANCES AND RELEASE TERMS**

US BANK (FORMERLY FIRST COMMUNITY BANK) CURRENTLY HOLDS A FIRST MORTGAGE AGAINST THE PROPERTY CONSTITUTING THE SUBDIVISION (OTHER THAN PHASE 1-A WHICH IS OWNED BY SANDOVAL COUNTY AND HAS A FIRE STATION THEREON). IF A PURCHASER IS BUYING A PHASE OR LOT ON A CASH BASIS OR ON A NOTE AND MORTGAGE WITH TRAILS INVESTORS, LLC, THEN TRAILS INVESTORS, LLC WILL OBTAIN A RELEASE OF THE PHASE OR LOT BY PAYING THE RELEASE AMOUNT AT CLOSING WITH THE DOWN PAYMENT FOR THE PHASE OR LOT. IF A PURCHASER IS BUYING A PHASE OR LOT ON A REAL ESTATE CONTRACT WITH TRAILS INVESTORS, LLC, THEN THE PURCHASER'S REAL ESTATE CONTRACT WILL BE SUBJECT TO TRAILS INVESTORS, LLC'S FINANCING WITH US BANK. UNDER SUCH CIRCUMSTANCES, TRAILS INVESTORS, LLC WILL ONLY OBTAIN A RELEASE OF THE PHASE OR LOT FROM US BANK UPON FULL PAYMENT BY THE PURCHASER OF THE REAL ESTATE CONTRACT. THE TERMS OF TRAILS INVESTORS, LLC'S FINANCING MAY CHANGE OVER TIME, AND A PURCHASER WHO IS PURCHASING UNDER A REAL ESTATE CONTRACT WITH TRAILS INVESTORS, LLC SHOULD INQUIRE AT THE TIME OF PURCHASE REGARDING THE LIENS OR CONTRACTS THAT ATTACH TO THE PURCHASER'S PHASE OR LOT.

B. **PLAT RESTRICTIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS**

PURCHASER WILL RECEIVE A PURCHASER'S TITLE INSURANCE POLICY AT CLOSING, UNLESS PURCHASING UNDER A REAL ESTATE CONTRACT IN WHICH CASE THE PURCHASER WILL RECEIVE A CONTRACT PURCHASER'S TITLE INSURANCE POLICY AT CLOSING. PURCHASER'S TITLE WILL BE SUBJECT TO THE CONDITIONS AND RESTRICTIONS SET FORTH ON THE UNDERLYING PRELIMINARY PLAT OF THE SUBDIVISION AND THE FINAL PLAT OF THE PHASE IN WHICH PURCHASER'S LOT IS LOCATED, AND ANY REPLATS THEREOF, AS WELL AS ALL MATTERS OF PUBLIC RECORD INCLUDING WITHOUT LIMITATION THE PETROGLYPH TRAILS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND ALL SUPPLEMENTS AND AMENDMENTS THERETO (THE "CCRs"). PURCHASER'S TITLE WILL ALSO BE SUBJECT TO, AMONG OTHER THINGS, TAXES FOR THE CURRENT AND SUBSEQUENT YEARS, PROPERTY OWNER ASSOCIATION ASSESSMENTS AND FEES, ANASAZI TRAILS WATER COOPERATIVE FEES AND ASSESSMENTS (IF APPLICABLE), PUBLIC UTILITY EASEMENTS, SLOPE EASEMENTS, DRAINAGE EASEMENTS, AND ANY SHARED PRIVATE ACCESS AND ACCESS CONTROL EASEMENTS. THE PUBLIC UTILITY EASEMENTS INCLUDE A RIGHT OF INGRESS AND EGRESS FOR CONSTRUCTION AND MAINTENANCE AND THE RIGHT TO TRIM INTERFERING VEGETATION. FOR DETAILS, CONSULT THE FINAL PLAT OF THE APPLICABLE PHASE, THE CCRs AND ANY REPLATS.

IN THE CASE OF PURCHASERS PURCHASING A PHASE(S), SUCH PURCHASE SHALL FURTHER BE SUBJECT TO ANY SUBDIVISION OR INFRASTRUCTURE IMPROVEMENT AGREEMENT IN PLACE OR OTHERWISE REQUIRED BY SANDOVAL COUNTY AND/OR ANY OTHER GOVERNMENTAL ENTITY WITH JURISDICTION THEREOVER AND UNLESS OTHERWISE AGREED BY THE SUBDIVIDER AND SUCH PURCHASER, UPON THE CLOSING OF THE PURCHASE OF SUCH PHASE(S) THE PURCHASER THEREOF SHALL BE RESPONSIBLE FOR SUCH INFRASTRUCTURE IMPROVEMENTS AND ANY REQUIRED GUARANTEE THEREOF.

C. LIENS BASED ON PROPERTY ASSESSMENTS

EACH PHASE AND LOT IS SUBJECT TO CONTINUING LIENS BASED ON ASSESSMENTS, DUES, FEES AND STANDBY CHARGES ("PROPERTY ASSESSMENTS") IMPOSED OR ASSESSED BY THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, THE ANASAZI TRAILS WATER COOPERATIVE (TO THE EXTENT THE PHASE OR LOT IS SERVED BY SAID COOPERATIVE) OR ANY UNIT OF STATE OR LOCAL GOVERNMENT HAVING JURISDICTION OVER THE PROPERTY.

D. RESTRICTIONS IMPOSED BY THE MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (CCRs)

THE PETROGLYPH TRAILS SUBDIVISION (OTHER THAN PHASE 1-A WHICH HAS A SANDOVAL COUNTY FIRE STATION THEREON) IS SUBJECT TO THE **PETROGLYPH TRAILS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (THE "CCRs")**. (EXHIBIT B(1) - PETROGLYPH TRAILS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS). FURTHER, PETROGLYPH TRAILS PHASE AND LOT OWNERS AUTOMATICALLY BECOME MEMBERS OF THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION (EXHIBIT B(2) - ARTICLES OF INCORPORATION AND EXHIBIT B(3) - BY-LAWS OF THE PETROGLYPH PROPERTY OWNERS' ASSOCIATION). AT THE TIME OF PURCHASE OF A PHASE OR LOT, THE PURCHASER WILL HAVE ALL OF THE BENEFITS THAT ARE ASSOCIATED WITH THAT MEMBERSHIP AS WELL AS THE OBLIGATION TO FOLLOW ALL RULES AND REGULATIONS PERTAINING TO THAT MEMBERSHIP. TRAILS INVESTORS, LLC, THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION AND ITS ARCHITECTURAL CONTROL COMMITTEE (THE "ACC"), ARE GRANTED A PERMANENT EASEMENT AND SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO ENTER UPON ANY PHASE(S) AND LOT(S) IN THE SUBDIVISION FOR THE PURPOSE OF MAINTENANCE, REPAIR AND REMOVAL OF DRAINAGE OBSTRUCTIONS. TRAILS INVESTORS, LLC, THE PROPERTY OWNERS' ASSOCIATION, AND THE ACC SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO ENTER ANY PHASE AND LOT FOR THE PURPOSE OF CORRECTING ANY VIOLATION OF THE CCRs. UTILITIES, INCLUDING THE ANASAZI TRAILS WATER COOPERATIVE, OR ITS AGENTS, TO THE EXTENT THE PHASE OR LOT IS SERVED BY SAID COOPERATIVE, ARE GRANTED A PERMANENT EASEMENT FOR UTILITY INSTALLATION AND MAINTENANCE AS PROVIDED FURTHER BY THE CCRs AND/OR THE WATER COOPERATIVE DOCUMENTS.

E. REVIEW OF DOCUMENTS BY PURCHASER

EACH PURCHASER SHOULD REVIEW THE PRELIMINARY PLAT AND PHASING PLAN AND ANY APPLICABLE FINAL PLAT(S), AND ANY REPLATS, OF THE SUBDIVISION AND ITS VARIOUS PHASES, THE TITLE BINDER AND POLICY FOR THE PHASE OR LOT BEING PURCHASED, THE CCRs, THE SURVEY OF THE PURCHASER'S PHASE OR LOT AND AMENDMENTS TO THE CCRs, THE ARTICLES OF INCORPORATION AND BY-LAWS OF THE PROPERTY OWNERS' ASSOCIATION AND OF THE ANASAZI TRAILS WATER COOPERATIVE, TO THE EXTENT THE PHASE OR LOT IS SERVED BY THE COOPERATIVE, AND ANY AMENDMENTS THERETO AND ALL MATTERS OF PUBLIC RECORD FOR THE SPECIFICATIONS OF THE EASEMENTS AND RESTRICTIONS AND ANY OTHER MATTERS AFFECTING TITLE TO PURCHASER'S PHASE OR LOT.

12. **STATEMENT OF ALL RESTRICTIONS OF RECORD SUBJECTING THE SUBDIVIDED LAND TO ANY UNUSUAL CONDITIONS AFFECTING ITS USE OR OCCUPANCY**

A. **PLAT RESTRICTIONS**

THE USE OR OCCUPANCY OF PETROGLYPH TRAILS IS OR WILL BE AFFECTED BY THE RESTRICTIONS IN PLATS AND AMENDMENTS OR REPLATS OF THE SUBDIVISION AND ITS VARIOUS PHASES THAT ESTABLISH OR WILL ESTABLISH, AMONG OTHER THINGS: PUBLIC UTILITY, SLOPE AND DRAINAGE EASEMENTS OVER THE SUBDIVISION AND EACH PHASE AND LOT AND ON CERTAIN LOTS, SHARED PRIVATE ACCESS EASEMENTS AND/OR ACCESS CONTROL EASEMENTS. (SEE SECTION 11(B) ABOVE AND SECTION 31(B) BELOW) AND SPECIFIC DRAINAGE EASEMENTS.

ALTHOUGH THE FINAL PLATS OF EACH PHASE MAY END UP WITH LOTS WITH CONFIGURATIONS WHICH ARE DIFFERENT FROM WHAT IS SHOWN ON THE PHASING PLAN, PORTIONS OF WHAT ARE CURRENTLY SHOWN AS LOT 1 IN PHASE 2 AND LOT 17 IN PHASE 11 ON THE PHASING PLAN ARE, AND SHALL BE, SUBJECT TO A SIGN AND LANDSCAPING EASEMENT IN CONNECTION WITH THE ENTRYWAY TO PETROGLYPH TRAILS. TRAILS INVESTORS, LLC HAS ALREADY IMPROVED SAID EASEMENT WITH AN ENTRYWAY WALL, LANDSCAPING, AN IRRIGATION SYSTEM AND SUBDIVISION SIGNAGE OR MONUMENTATION FOR PETROGLYPH TRAILS AS WELL AS FOR THE ANASAZI TRAILS AND ANASAZI MEADOWS SUBDIVISIONS. SAID IMPROVEMENTS ARE CURRENTLY BEING MAINTAINED ENTIRELY BY THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION (OF WHICH OWNERS IN BOTH THE ANASAZI MEADOWS AND ANASAZI TRAILS SUBDIVISIONS ARE MEMBERS). ONCE THE PETROGLYPH TRAILS OWNERS' ASSOCIATION HAS BEEN IN EXISTENCE FOR ONE YEAR, IT WILL BEGIN PAYING ONE THIRD OF THE COST OF ANY MAINTENANCE, IRRIGATION AND REPAIR COSTS FOR SAID IMPROVEMENTS, WITH ANASAZI HOMEOWNERS ASSOCIATION PAYING THE OTHER TWO THIRDS.

IF THE LOTS DEPICTED IN THE PHASING PLAN FOR PHASE 6 ARE RETAINED "AS IS" UPON THE FINAL PLAT OF SAID PHASE THE PORTION OF WHAT IS CURRENTLY SHOWN AS LOT 52 IN PHASE 6 OF THE PHASING PLAN WILL BE SUBJECT TO A PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT PROVIDING ACCESS TO THE OPEN SPACE DESIGNATED AS TRACT "E" ON SAID PHASING PLAN. SAID TRACT "E" IS CURRENTLY KNOWN AS TRACT A-1 OF THE ANASAZI MEADOWS SUBDIVISION, ALTHOUGH IT IS OWNED BY THE DEVELOPER AND THE DEVELOPER HAS THE RIGHT TO BRING IT INTO PETROGLYPH TRAILS. THE INTENT IS TO FINAL PLAT IT INTO PETROGLYPH TRAILS AS PART OF PHASE 6.

PORTIONS OF SEVERAL LOTS IN WHAT ARE SHOWN ON THE PHASING PLAN AS PHASES 2, 3 AND 4 WILL, ASSUMING THE LOTS DEPICTED IN THE PHASING PLAN FOR SAID PHASES ARE RETAINED "AS IS" UPON THE FINAL PLAT OF SAID PHASES, BE SUBJECT TO A "NO BUILD" EASEMENT. THESE WOULD INCLUDE LOTS 13, 14 AND 16 IN PHASE 2, LOTS 18 AND 20 IN PHASE 3 AND LOTS 21, 23 AND 25 IN PHASE 4.

B. **RESTRICTIONS IMPOSED BY THE COMPREHENSIVE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (CCRs)**

SINGLE-FAMILY RESIDENTIAL LOTS WILL BE RESTRICTED TO ONE SINGLE-FAMILY RESIDENTIAL DWELLING PER LOT. PRIOR TO THE SALE OF ANY PHASES OR LOTS REZONED TO MULTIFAMILY USE, THOSE PHASES OR LOTS MAY BE SUBJECT TO SPECIFIC ARCHITECTURAL AND OTHER RESTRICTIONS IMPOSED UPON THEM BY THE SUBDIVIDER, AND MAY BE SUBJECT TO SPECIFIC RULES AND GUIDELINES DEVELOPED BY THE ARCHITECTURAL CONTROL COMMITTEE ORGANIZED UNDER THE CCRs TO REVIEW AND OVERSEE DEVELOPMENT OF MULTIFAMILY LOTS. SUCH RESTRICTIONS SHALL COVER ISSUES SUCH AS BUILDING HEIGHT AND STYLE, PARKING AND ANY OTHER STYLE OR USE RESTRICTIONS AS DEEMED APPROPRIATE BY THE SUBDIVIDER.

IF ANY PHASES OR LOTS ARE REZONED FOR COMMERCIAL OR LIGHT INDUSTRIAL USE, SUCH PHASES OR LOTS WILL THEN BE REMOVED FROM THE PROPERTY OWNERS ASSOCIATION AND FROM THE CCRs AND SHALL THEREAFTER BE SUBJECTED TO COMMERCIAL CCRs, AND A COMMERCIAL ARCHITECTURAL REVIEW COMMITTEE, CREATED BY THE SUBDIVIDER AT SUCH TIME, IF ANY, AS SAID PHASES OR LOTS ARE REZONED.

NO BUSINESS OR COMMERCIAL ACTIVITY FREQUENTED BY AND OPEN TO THE GENERAL PUBLIC (AND IN ANY EVENT NO BUSINESS OR COMMERCIAL ACTIVITY WHICH TAKES PLACE OUTDOORS OR THAT CREATES A NUISANCE) SHALL BE CONDUCTED ON THE SINGLE-FAMILY RESIDENTIAL OR MULTIFAMILY LOTS WITHIN THE SUBDIVISION. HOME OCCUPATIONS OF THE RESIDENTIAL AND MULTIFAMILY LOT OWNER ARE PERMISSIBLE ON RESIDENTIAL AND MULTIFAMILY LOTS IF CONDUCTED IN THE HOME OR STUDIO AND IN COMPLIANCE WITH RULES AND REGULATIONS ADOPTED BY THE ARCHITECTURAL CONTROL COMMITTEE ORGANIZED UNDER THE CCRs AND ANY OTHER GOVERNING BODY HAVING JURISDICTION. THE RENTING OR LEASING OF A SINGLE-FAMILY OR MULTIFAMILY RESIDENTIAL UNIT IS PERMITTED IF DONE IN ACCORDANCE WITH THE PROVISIONS OF THE CCRs.

NOTWITHSTANDING THE FOREGOING, TRAILS INVESTORS, LLC HAS RESERVED THE RIGHT, FOR ITSELF AND ITS SUCCESSOR, IF ANY, (AND ANY BUILDERS OR DEVELOPERS WHO PURCHASE A PHASE(S), WHO HAVE OBTAINED THE CONSENT OF THE SUBDIVIDER), TO ERECT OR MAINTAIN STRUCTURES, IMPROVEMENTS OR SIGNS NECESSARY OR CONVENIENT TO THE DEVELOPMENT, SALE, OPERATION OR OTHER DISPOSITION OF THE PROPERTY WITHIN THE SUBDIVISION, SUCH AS A SALES OFFICE, PROVIDED IT MEETS WITH ZONING REQUIREMENTS. AS WELL, TRAILS INVESTORS, LLC AND ANY SUCCESSOR (AND ANY BUILDERS OR DEVELOPERS WHO PURCHASE A PHASE(S) WHO HAVE OBTAINED THE CONSENT OF THE SUBDIVIDER) MAY DECIDE AT ITS DISCRETION TO BUILD RECREATIONAL FACILITIES THAT WOULD THEREAFTER HAVE TO BE MAINTAINED BY THE PROPERTY OWNERS' ASSOCIATION.

IN THE CCRs, EACH PHASE AND LOT OWNER APPOINTS TRAILS INVESTORS, LLC OR ITS SUCCESSOR WITH FULL POWER TO RESUBDIVIDE, REPLAT, REZONE AND REMOVE CERTAIN PHASES OR LOTS OWNED BY TRAILS INVESTORS, LLC. THE CCRs ALSO RESERVE THE RIGHT OF SUBDIVIDER TO BRING WHAT ARE CURRENTLY LOT 77 AND/OR TRACT A-1 OF THE ANASAZI MEADOWS SUBDIVISION INTO PETROGLYPH TRAILS. IF SAID LOT AND/OR TRACT ARE INCLUDED IN THE FINAL PLAT OR A REPLAT OF PHASE 6, SAID LOT AND /OR TRACT SHALL AUTOMATICALLY BE SUBJECT TO THE CCRs AND ANY AMENDMENTS OR SUPPLEMENTS THERETO AND THE OWNERS OF THE LOTS CREATED BY SUCH ADDITION TO PHASE 6 SHALL AUTOMATICALLY BECOME MEMBERS OF THE ASSOCIATION.

NO PHASE OR LOT OWNER OTHER THAN TRAILS INVESTORS, LLC OR ITS SUCCESSOR SHALL SEEK THE REZONING OF ANY LOT, SEEK TO SUBDIVIDE OR SEPARATE INTO SMALLER LOTS OR PHASES ANY LOT, OR CONVEY OR TRANSFER JUST A PORTION (AS OPPOSED TO THE WHOLE) OF ANY LOT OR ANY EASEMENT OR ANY OTHER INTEREST (OTHER THAN A SECURITY INTEREST OR A RENTAL OR LEASE). NO OWNER (OTHER THAN TRAILS INVESTORS, LLC OR ITS SUCCESSOR) SHALL CONVEY AN EASEMENT WITHOUT THE WRITTEN CONSENT OF TRAILS INVESTORS, LLC OR ITS SUCCESSOR, OR IF TRAILS INVESTORS, LLC OR ITS SUCCESSORS NO LONGER OWN ANY PHASES OR LOTS IN THE SUBDIVISION, THE WRITTEN CONSENT OF THE PROPERTY OWNERS' ASSOCIATION. NOTWITHSTANDING THE FOREGOING, THE PURCHASER OF A PHASE(S) MAY, WITH THE SUBDIVIDER'S CONSENT, SEEK REZONING OR RESUBDIVISION OF SUCH PHASES, SUBJECT TO APPROVAL OF THE APPLICABLE GOVERNMENTAL ENTITIES.

BUILDING SETBACKS ARE SET FORTH IN THE CCRs. NEITHER THE SUBDIVIDER, NOR THE ACC, MAY GRANT VARIANCES WHICH CONFLICT WITH SANDOVAL COUNTY'S (OR THE TOWN OF BERNALILLO'S IF APPLICABLE) SETBACK REQUIREMENTS. IN NO EVENT WILL SANDOVAL COUNTY ALLOW ANY SETBACK VARIANCES FOR CONSTRUCTION ON ANY RESIDENTIAL LOT WITHIN PETROGLYPH TRAILS TO BE LESS THAN 20 FEET FROM THE FRONT PROPERTY LINE

AND 10 FEET FROM EACH OF THE SIDE AND BACK PROPERTY LINES. MULTIFAMILY AND COMMERCIAL LOTS SHALL LIKEWISE BE SUBJECT TO APPLICABLE SETBACK REQUIREMENTS IMPOSED BY THE ACC OR ANY ENTITY HAVING JURISDICTION OVER SETBACKS.

AS SET FORTH IN THE CCRs, THERE SHALL BE NO DEVELOPMENT, IMPROVEMENTS OR STRUCTURES, TEMPORARY OR PERMANENT, IN ANY DRAINAGE EASEMENT, EXCEPT AS APPROVED IN WRITING BY THE ACC. THERE WILL BE NO HOME OR STRUCTURE INHABITED BY PEOPLE IN FLOOD ZONE A UNLESS FEMA APPROVES A MAP REVISION ALLOWING SUCH CONSTRUCTION TO TAKE PLACE OR UNTIL SUCH TIME THAT SANDOVAL COUNTY APPROVES A FLOOD PLAIN DEVELOPMENT PERMIT THAT MEETS WITH THE FEDERAL FLOOD INSURANCE PROGRAM AND THE COUNTY FLOOD DAMAGE PREVENTION ORDINANCE. SEE SECTION 25(D) FOR ADDITIONAL DETAILS. NO AGRICULTURAL USE IS PERMITTED. LIVESTOCK, INCLUDING WITHOUT LIMITATION CATTLE AND HORSES, ARE PROHIBITED ON ALL LOTS. DOMESTIC ANIMALS ARE ALLOWED ON RESIDENTIAL AND MULTIFAMILY LOTS BUT MAY BE SUBJECT TO RULES AND REGULATIONS ADOPTED BY THE PROPERTY OWNERS' ASSOCIATION.

THE CCRs, AMONG OTHER THINGS, SET FORTH REQUIREMENTS AND RESTRICTIONS FOR SETBACKS, MINIMUM FLOOR AREAS, DESIGN AND ARCHITECTURAL STANDARDS, HEIGHT LIMITATIONS, EXTERIOR COLOR SCHEMES AND MATERIALS, PRIVATE WASTE DISPOSAL SYSTEMS, ROOFING MATERIALS, LIMITATIONS ON DRIVEWAY DESIGN AND STRUCTURE, DRAINAGE MAINTENANCE, GARBAGE CONTAINERS, TANKS, AIR CONDITIONERS AND SWAMP COOLERS, EXTERIOR LIGHTING, THE REMOVAL OR ADDITION OF VEGETATION, TREES, SHRUBS AND LANDSCAPING, WINDMILLS, TOWERS AND ANTENNAS, UTILITY LINES, TEMPORARY STRUCTURES, ACCEPTABLE AND UNACCEPTABLE OUTBUILDINGS, SIGNS, IMPROVEMENTS AND ALTERATIONS, SOLAR EQUIPMENT, ANIMALS, CLOTHES DRYING FACILITIES, BUSINESS ACTIVITIES, OBNOXIOUS ACTIVITIES, GARBAGE, VEHICLES AND EQUIPMENT, OVERNIGHT PARKING, SERVICE YARDS, STORAGE YARDS AND HORSES.

THE CCRs ALSO PROVIDE THAT, PRIOR TO COMMENCING CONSTRUCTION ON A LOT, THE LOT OWNER MUST SUBMIT A DETAILED DEVELOPMENT PLAN TOGETHER WITH A NON-REFUNDABLE ACC REVIEW FEE CURRENTLY SET AT \$300 PLUS NEW MEXICO GROSS RECEIPTS TAX FOR RESIDENTIAL LOTS, AND A REFUNDABLE BUILDING COMPLIANCE FEE CURRENTLY SET AT \$3,500 FOR RESIDENTIAL LOTS, TO THE ASSOCIATION AND MUST OBTAIN THE ACC'S WRITTEN APPROVAL OF SUCH DEVELOPMENT PLAN PRIOR TO CONSTRUCTION.

SIMILARLY, PURCHASERS OF AN ENTIRE PHASE AND THOSE DEVELOPING MULTIFAMILY AND COMMERCIAL LOTS SHALL BE SUBJECT TO REVIEW FEES AS SET BY THE ACC FROM TIME TO TIME. CONSTRUCTION WITHIN A PHASE BY A BUILDER OR DEVELOPER WHO HAS PURCHASED THE SAME FROM THE SUBDIVIDER WILL BE FURTHER SUBJECT TO SUCH TERMS AND CONDITIONS AS MAY BE NEGOTIATED BETWEEN SAID PARTIES AND ANY SUBDIVISION OR INFRASTRUCTURE IMPROVEMENT AGREEMENT AND FINANCIAL GUARANTEES THAT ARE IN PLACE OR REQUIRED BY SANDOVAL COUNTY AND/OR ANY OTHER APPLICABLE GOVERNMENTAL ENTITIES.

THE CCRs REQUIRE THAT BEGINNING ONE YEAR AFTER THE FORMATION OF THE ASSOCIATION, THE ASSOCIATION WILL BEGIN SHARING THE COST OF MAINTAINING AND REPAIRING THE IMPROVEMENTS, INCLUDING LANDSCAPING AND THE WATERING THEREOF, ON THE ENTRYWAY EASEMENT AT THE INTERSECTION OF PETROGLYPH TRAILS AND THE I-25 FRONTAGE ROAD, WITH ANASAZI HOMEOWNERS ASSOCIATION, INC (FORMERLY ANASAZI TRAILS HOMEOWNERS ASSOCIATION, INC). AS SHOWN ON THE PHASING PLAN, SAID ENTRYWAY EASEMENT BURDENS LOT 1 IN PHASE 2 AND LOT 17 IN PHASE 11.

THE CCRs AND WATER COOPERATIVE BY-LAWS (TO THE EXTENT APPLICABLE) REQUIRE THAT THE SUBDIVISION AND LOT OWNERS COMPLY WITH CERTAIN REGULATIONS OF SANDOVAL COUNTY AND THE NEW MEXICO STATE ENGINEER REGARDING WATER CONSERVATION AND LANDSCAPING. THESE CURRENTLY LIMIT WATER USE TO 341.59

GALLONS PER DAY OR 3826 ACRE FEET PER YEAR PER HOUSEHOLD (INCLUDING OUTDOOR USE) FOR RESIDENTIAL LOTS.

NOTE: THE WATER DEMAND ANALYSIS ENTITLED WATER SUPPLY STUDY FOR THE ANASAZI TRAILS WATER COOPERATIVE, SANDOVAL COUNTY, NEW MEXICO, SUBMITTED BY AGW CONSULTANTS, ALBUQUERQUE, NEW MEXICO, DATED NOVEMBER 13, 2006, IS BASED ON AN AVERAGE OF 2.32 PERSONS PER HOUSEHOLD IN THIS AREA, WHICH COMES FROM THE 2000 CENSUS. THE STUDY CALCULATES THE WATER USE OF 0.285 GROSS ACRE FEET OF DIVERSION PER LOT PER YEAR. THE SUBDIVIDER HAS ACQUIRED AND WILL DEPOSIT WATER RIGHTS IN THE WATER COOPERATIVE WHICH WILL ALLOW FOR THE USE OF 0.3826 GROSS ACRE FEET OF WATER PER LOT PER YEAR. NOTWITHSTANDING THE FOREGOING, THE SUBDIVIDER RESERVES THE RIGHT TO REDUCE THAT DEPOSIT OF WATER RIGHTS TO 0.285 GROSS ACRE FEET OF DIVERSION PER LOT PER YEAR, BASED ON THE AGW CONSULTANTS' WATER DEMAND ANALYSIS, PROVIDED IT OBTAINS THE APPROVAL OF THE NEW MEXICO STATE ENGINEER TO DO SO AND PROVIDED FURTHER THAT SUCH APPROVAL AND DEPOSIT OCCUR PRIOR TO THE SALE OF LOTS AFFECTED THEREBY.

COMMERCIAL AND MULTIFAMILY LOTS MAY BE SUBJECT TO DIFFERENT FEES BY BOTH THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION AND THE ANASAZI TRAILS WATER COOPERATIVE (TO THE EXTENT THEY ARE MEMBERS OF THE PROPERTY OWNERS' ASSOCIATION AND/OR THEY ARE SERVED BY THE COOPERATIVE). PLEASE REFER TO THE LATEST INFORMATION FROM BOTH ENTITIES WITH RESPECT TO CURRENT FEES AND ASSESSMENTS.

C. PROPERTY OWNERS' ASSOCIATION

ALL OWNERS OF LOTS WITHIN PETROGLYPH TRAILS (UNLESS OTHERWISE DETERMINED BY THE SUBDIVIDER) WILL BE MEMBERS OF PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC. (THE "ASSOCIATION"), A NONPROFIT CORPORATION, WHICH HAS BEEN, OR WILL BE, ESTABLISHED BY TRAILS INVESTORS, LLC FOR THE PURPOSE, AMONG OTHER THINGS, OF ENFORCING THE CCRs, APPROVING DEVELOPMENT PLANS FOR LOTS AND EXERCISING THE OTHER POWERS PRESCRIBED BY LAW AND SET FORTH IN ITS ARTICLES OF INCORPORATION. SEE EXHIBIT B(2) - ARTICLES OF INCORPORATION OF PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC. AND EXHIBIT B(1), PETROGLYPH TRAILS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS.

THE PROPERTY OWNERS' ASSOCIATION IS GOVERNED BY A BOARD OF DIRECTORS. BECAUSE OF TRAILS INVESTORS, LLC'S INVESTMENT IN DEVELOPING AND PLANNING PETROGLYPH TRAILS, TRAILS INVESTORS, LLC OR ITS SUCCESSOR OR ASSIGNEE SHALL APPOINT THE INITIAL BOARD MEMBERS AND SHALL TRANSITION THE BOARD MEMBERS FROM APPOINTED TO ELECTED MEMBERS OVER TIME AS SET FORTH IN THE BY-LAWS OF THE ASSOCIATION. TRAILS INVESTORS, LLC OR ITS SUCCESSOR OR ASSIGNEE, HAS SIMILAR CONTROL OVER THE ACC, WHICH HAS SIGNIFICANT CONTROL OVER THE DEVELOPMENT OF ALL OF THE PHASES AND ALL LOTS THEREIN AND MUST APPROVE ANY DEVELOPMENT PLAN. DEVELOPERS TO WHOM TRAILS INVESTORS, LLC HAS SOLD A PHASE(S) DO NOT HAVE A SIMILAR RIGHT TO CONTROL THE BOARD OF DIRECTORS OR ACC.

LIKewise, UNTIL TRAILS INVESTORS, LLC HAS SOLD ALL OF THE PHASES IT OWNS WITHIN PETROGLYPH TRAILS TO OTHER DEVELOPERS, OR UNTIL IT HAS SOLD ALL LOTS WITHIN THE PHASES IT OWNS TO END USERS (AND IN THE CASE OF A PHASE SOLD TO A DEVELOPER BY TRAILS INVESTORS, LLC, UNTIL SUCH DEVELOPER HAS SOLD ALL OF THE LOTS WITHIN SUCH PHASE TO END USERS), TRAILS INVESTORS, LLC AND ANY SUCH DEVELOPER WILL HAVE A THREE-TO-ONE VOTE COMPARED TO OTHER LOT OWNERS IN PETROGLYPH TRAILS WITH RESPECT TO MATTERS VOTED ON BY THE ASSOCIATION. TRAILS INVESTORS, LLC OR ITS SUCCESSOR OR ASSIGNEE, OR SUCH DEVELOPERS, MAY ALSO GIVE UP THEIR THREE-TO-ONE VOTING RIGHTS AT ANY TIME BY RECORDING A WAIVER OF SUCH RIGHTS.

NOTE: LOTS REZONED FOR COMMERCIAL OR LIGHT INDUSTRIAL USE MAY BE REMOVED FROM THE PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION AND IN SUCH EVENT WILL HAVE THEIR OWN CONDITIONS, COVENANTS AND RESTRICTIONS TO WHICH THE PURCHASERS OF THOSE LOTS MUST ADHERE. FURTHER, SANDOVAL COUNTY, WHICH OWNS THE FIRE STATION BUILT ON PHASE 1-A WITHIN PETROGLYPH TRAILS, IS NOT A MEMBER OF THE ASSOCIATION, ALTHOUGH IT IS A MEMBER OF THE WATER COOPERATIVE.

D. WATER COOPERATIVE/COMMUNITY WATER SYSTEM

SEE SECTION 14(C) REGARDING WATER COOPERATIVE/COMMUNITY WATER SYSTEM.

E. GOVERNMENTAL RESTRICTIONS

THIS SECTION 12 ENTITLED "STATEMENT OF ALL RESTRICTIONS OF RECORD SUBJECTING THE SUBDIVIDED LAND TO ANY UNUSUAL CONDITIONS AFFECTING ITS USE OR OCCUPANCY" DOES NOT ADDRESS THE EFFECT OF FEDERAL, STATE OR LOCAL STATUTES OR REGULATIONS ON USE OR OCCUPANCY, BUT ONLY ADDRESSES DEED OR PLAT RESTRICTIONS AND RESTRICTIONS IN THE CCRs AND THE PROPERTY OWNERS' ASSOCIATION AND WATER COOPERATIVE DOCUMENTS. TRAILS INVESTORS, LLC DOES, HOWEVER, NOTE THAT THE NEW MEXICO ENVIRONMENT DEPARTMENT LIMITS THE NUMBER OF OCCUPANTS AND SIZE OF BUILDINGS ON EACH LOT, DEPENDING ON THE LOT SIZE, BECAUSE THE LOTS WILL BE SERVED BY A SEPTIC SYSTEM RATHER THAN A SEWAGE SYSTEM. THE NEW MEXICO ENVIRONMENT DEPARTMENT'S CURRENT RESTRICTIONS ARE FURTHER ADDRESSED IN THIS DISCLOSURE STATEMENT IN SECTION 22 ENTITLED "LIQUID WASTE DISPOSAL". THESE RESTRICTIONS CAN BE CHANGED AT ANY TIME BY THE NEW MEXICO ENVIRONMENT DEPARTMENT WITH NO PRIOR NOTICE. PLEASE CHECK CURRENT RESTRICTIONS AT THE TIME OF PURCHASE AND AGAIN AT THE TIME OF CONSTRUCTION.

F. REVIEW OF DOCUMENTS BY PURCHASER

EACH PURCHASER OF A PHASE OR LOT SHOULD REVIEW THE PHASING PLAN, PRELIMINARY AND FINAL PLATS FOR THE SUBDIVISION, AND ANY REPLATS, THE SURVEY OF THE OWNER'S PHASE OR LOT, THE TITLE BINDER AND TITLE POLICY FOR THE PHASE OR LOT, THE CCRs, ANY AMENDMENTS TO THE CCRs, THE ARTICLES OF INCORPORATION AND BY-LAWS, AND ANY AMENDMENTS THERETO FOR BOTH THE PROPERTY OWNERS' ASSOCIATION AND THE WATER COOPERATIVE (IF APPLICABLE), ANY RULES OR REGULATIONS OF THE PROPERTY OWNERS' ASSOCIATION AND THE WATER COOPERATIVE (IF APPLICABLE) AND ALL MATTERS OF PUBLIC RECORD, FOR SPECIFICATION OF THE RESTRICTIONS AND CONDITIONS AFFECTING THE USE OR OCCUPANCY OF THE PURCHASER'S PHASE OR LOT.

13. ESCROW AGENT

SECURITY ESCROW, INC. IS CURRENTLY THE ESCROW AGENT. SECURITY ESCROW, INC.'S ADDRESS IS PO BOX 36371, ALBUQUERQUE, NEW MEXICO 87176. TRAILS INVESTORS, LLC HAS NO FINANCIAL TIES WITH SECURITY ESCROW, INC.

TRAILS INVESTORS, LLC RESERVES THE RIGHT TO CHANGE THE ESCROW AGENT TO ANOTHER ESCROW AGENT WITH WHOM TRAILS INVESTORS, LLC HAS NO FINANCIAL TIES, WITHOUT A PURCHASER'S CONSENT OR APPROVAL, SO LONG AS IT PROVIDES 30 DAYS ADVANCE WRITTEN NOTICE TO THE PURCHASER. SEE ALSO 8(F) REGARDING ESCROW FEES ASSOCIATED WITH ANY SUBDIVIDER FINANCING.

14. **UTILITIES**

A. **ELECTRICITY**

SALE TO INDIVIDUAL LOT PURCHASERS: THE SUBDIVIDER HAS CONTRACTED OR WILL CONTRACT WITH THE PUBLIC SERVICE COMPANY OF NEW MEXICO (PNM) TO PROVIDE ELECTRIC SERVICE TO THE LOT LINE OF EACH LOT IT IS SELLING. LOT PURCHASERS FROM TRAILS INVESTORS, LLC SHOULD CHECK WITH TRAILS INVESTORS, LLC FOR THE ESTIMATED TIMING OF SUCH INSTALLATION AS IT MAY BE SOME TIME AFTER A PURCHASER'S CLOSING. FURTHER, EACH LOT PURCHASER SHOULD CHECK WITH THE UTILITY COMPANY, PRIOR TO THE PURCHASE OF A LOT, FOR INFORMATION REGARDING CONNECTION COSTS. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY COMPANY REGARDING INSTALLATION OF THE ELECTRIC LINES FROM THE LOT LINE TO THE INTENDED DWELLING, OR IN THE CASE OF MULTIFAMILY OR COMMERCIAL LOTS, TO THE BUILDING(S).

SALE OF A PHASE TO A DEVELOPER/BUILDER: THE SUBDIVIDER HAS CONTRACTED OR WILL CONTRACT WITH THE ELECTRIC COMPANY OF NEW MEXICO TO PROVIDE ELECTRIC SERVICE TO ONE POINT ALONG THE PROPERTY LINE OF EACH PHASE IT INTENDS TO SELL AS A PHASE. SUCH ELECTRIC SERVICE WILL BE AVAILABLE AT SUCH POINT ALONG THE PROPERTY LINE PRIOR TO THE CLOSING OF THE PURCHASE OF THE PHASE, WITH CAPACITY INTENDED TO BE SUFFICIENT FOR DEVELOPMENT OF THE PHASE AS SHOWN ON THE PHASING PLAN. REIMBURSEMENT OF SUBDIVIDER'S COSTS IN PROVIDING SUCH SERVICE SHALL BE THE SUBJECT OF NEGOTIATION BETWEEN THE PARTIES. FURTHER, A PHASE PURCHASER SHALL BE RESPONSIBLE FOR DETERMINING WHETHER THE ELECTRIC CAPACITY IS IN FACT SUFFICIENT FOR ITS NEEDS AND IF IT IS NOT SUCH PURCHASER SHALL BE RESPONSIBLE AT ITS OWN COST AND EXPENSE FOR ANY UPGRADES OR CHANGES IT REQUIRES.

B. **GAS**

SALE TO INDIVIDUAL LOT PURCHASERS: THE SUBDIVIDER HAS CONTRACTED OR WILL CONTRACT WITH THE GAS COMPANY OF NEW MEXICO TO PROVIDE GAS SERVICE TO THE LOT LINE OF EACH LOT IT IS SELLING. LOT PURCHASERS FROM TRAILS INVESTORS, LLC SHOULD CHECK WITH TRAILS INVESTORS, LLC FOR THE ESTIMATED TIMING OF SUCH INSTALLATION AS IT MAY BE SOME TIME AFTER PURCHASER'S CLOSING. PURCHASER SHOULD ALSO CHECK WITH THE UTILITY COMPANY, PRIOR TO PURCHASE OF A LOT, WITH REGARD TO CURRENT CONNECTION COSTS. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY COMPANY REGARDING INSTALLATION OF THE GAS LINE FROM THE LOT LINE TO HIS/HER DWELLING, OR IN THE CASE OF MULTIFAMILY OR COMMERCIAL LOTS, TO THE BUILDING(S).

SALE OF A PHASE TO A DEVELOPER/BUILDER: THE SUBDIVIDER HAS CONTRACTED OR WILL CONTRACT WITH THE GAS COMPANY OF NEW MEXICO TO PROVIDE GAS SERVICE TO ONE POINT ALONG THE PROPERTY LINE OF EACH PHASE IT INTENDS TO SELL AS A PHASE. SUCH GAS SERVICE WILL BE AVAILABLE AT SUCH POINT ALONG THE PROPERTY LINE PRIOR TO THE CLOSING OF THE PURCHASE OF THE PHASE, WITH CAPACITY INTENDED TO BE SUFFICIENT FOR DEVELOPMENT OF THE PHASE AS SHOWN ON THE PHASING PLAN. REIMBURSEMENT OF SUBDIVIDER'S COSTS IN PROVIDING SUCH SERVICE SHALL BE THE SUBJECT OF NEGOTIATION BETWEEN THE PARTIES. FURTHER, A PHASE PURCHASER SHALL BE RESPONSIBLE FOR DETERMINING WHETHER THE GAS CAPACITY IS IN FACT SUFFICIENT FOR ITS NEEDS AND IF IT IS NOT SUCH PURCHASER SHALL BE RESPONSIBLE AT ITS OWN COST AND EXPENSE FOR ANY UPGRADES OR CHANGES IT REQUIRES.

C. ANASAZI TRAILS WATER COOPERATIVE/COMMUNITY WATER SYSTEM

1. COMMUNITY WATER SYSTEM

THE ANASAZI TRAILS WATER COOPERATIVE SHALL SUPPLY WATER TO ALL OF PETROGLYPH TRAILS UNLESS THE SUBDIVIDER, OR THE PURCHASER OF A PHASE(S) (DEPENDING ON AGREEMENT OF SAID PARTIES), ARRANGES FOR WATER SERVICE FROM THE TOWN OF BERNALILLO (EXHIBIT C). A PHASE OR LOT OWNER WITHIN THE PETROGLYPH TRAILS SUBDIVISION WHOSE WATER IS SUPPLIED BY THE ANASAZI TRAILS WATER COOPERATIVE AUTOMATICALLY BECOMES A MEMBER OF THE ANASAZI TRAILS WATER COOPERATIVE UPON CLOSING THE PURCHASE OF HIS PHASE OR LOT. SUCH PHASE AND LOT OWNERS WILL BE SUBJECT TO THE ARTICLES OF INCORPORATION AND BY-LAWS OF THE WATER COOPERATIVE, AND ANY AMENDMENTS THERETO, AND ANY RATE SCHEDULE SET FORTH BY THE WATER COOPERATIVE. NO PHASE OR LOT OWNER WILL BE ALLOWED TO DRILL A DOMESTIC WELL WITHIN THE SUBDIVISION. THE COOPERATIVE ALREADY PROVIDES WATER TO THE ANASAZI TRAILS AND ANASAZI MEADOWS SUBDIVISIONS. THE COOPERATIVE HAS ADEQUATE WATER RIGHTS TO ALLOW PETROGLYPH TRAILS TO USE THE COOPERATIVE'S WATER TOO. ANY EXPANSION TO THE PHYSICAL SYSTEM HAS OR WILL BE CONSTRUCTED BY THE SUBDIVIDER OR ITS SUCCESSOR (OR AN APPLICABLE PORTION THEREOF SHALL BE CONSTRUCTED BY THE PURCHASER OF A PHASE(S), DEPENDING ON AGREEMENT OF SAID PARTIES). THE SUBDIVIDER HAS A RIGHT, AT ITS SOLE DISCRETION, TO EXPAND THE SYSTEM TO ADD ADDITIONAL SUBDIVISIONS. IF THE EXPANSION OF THE SYSTEM WOULD RESULT IN THE NEED FOR ADDITIONAL WATER RIGHTS, THE SUBDIVIDER HAS AGREED TO ACQUIRE ADDITIONAL WATER RIGHTS AS NECESSARY AND TO CONVEY THEM TO THE WATER COOPERATIVE PRIOR TO EXPANSION. THE COST THEREOF SHALL BE BORNE BY THE SUBDIVIDER EXCEPT TO THE EXTENT OF ANY AGREEMENT BETWEEN THE SUBDIVIDER AND A PHASE(S) PURCHASER.

THE ANASAZI TRAILS WATER COOPERATIVE HAS THE RESPONSIBILITY AND AUTHORITY TO OPERATE AND MAINTAIN THE WELLS AND DISTRIBUTION SYSTEM AND TO ASSESS PHASES AND LOTS FOR THE COSTS ASSOCIATED WITH THE WATER SYSTEM. THE COOPERATIVE ALSO HAS THE RESPONSIBILITY AND AUTHORITY TO ESTABLISH WATER RATES AND ENFORCE WATER USE LIMITATIONS AND TO ASSESS PENALTIES FOR VIOLATIONS OF THOSE LIMITATIONS.

EACH PHASE AND LOT OWNER/MEMBER WILL BE OBLIGATED TO PAY THE COOPERATIVE PROMPTLY AND SHALL BE PERSONALLY LIABLE FOR FAILURE TO DO SO. ALL WATER COOPERATIVE ASSESSMENTS SHALL BE SECURED BY A CONTINUING LIEN AGAINST THE RESPONSIBLE OWNER/MEMBER'S PHASE OR LOT.

THE SUBDIVIDER WILL BRING THE WATER LINE TO THE LOT LINE OF EACH LOT ITS SELLS. ALL SINGLE-FAMILY RESIDENTIAL LOT OWNERS ARE SUBJECT TO A \$1500 METER FEE FOR A ¾" METER PAYABLE TO DELASHE INVESTMENTS, LLC OR ITS SUCCESSOR AT THE TIME OF CLOSING THE LOT SALE OR WHEN WATER IS AVAILABLE TO THE LOT, WHICHEVER IS LATER. ALL SINGLE-FAMILY RESIDENTIAL LOT OWNERS ARE LIKEWISE SUBJECT TO A ONE TIME FEE OF \$372, PAYABLE TO THE WATER COOPERATIVE AT THE TIME OF PURCHASE OF THE LOT TO HELP COVER THE COST OF THE WATER COOPERATIVE'S ARSENIC REMEDIATION EQUIPMENT.

WITH RESPECT TO DEVELOPERS WHO PURCHASE AN ENTIRE PHASE, THE SUBDIVIDER WILL BRING THE WATER LINE TO A SINGLE POINT ALONG THE PROPERTY LINE OF SUCH PHASE, AND SHALL PROVIDE ONE WATER HOOK-UP, PRIOR TO THE CLOSING OF SUCH PHASE. PURCHASERS OF PHASES MAY HAVE THE OPTION TO PURCHASE ADDITIONAL HOOK-UPS FROM DELASHE INVESTMENTS, LLC. PURCHASERS OF PHASES MAY BE SUBJECT TO DIFFERENT METER AND ARSENIC REMEDIATION FEES AS DETERMINED BY DELASHE INVESTMENTS, LLC AND/OR THE WATER COOPERATIVE AND SHOULD INQUIRE AS TO ANY SUCH FEES PRIOR TO PURCHASE. FURTHER, THE CAPACITY OF THE WATER LINE BROUGHT

TO THE PROPERTY LINE OF EACH PHASE IS INTENDED TO MEET THE CAPACITY ANTICIPATED BY THE DEVELOPMENT OF THE PHASE AS SHOWN ON THE PHASING PLAN. A PHASE PURCHASER, HOWEVER, SHALL BE RESPONSIBLE FOR DETERMINING WHETHER THE CAPACITY IS IN FACT SUFFICIENT FOR ITS NEEDS AND IF IT IS NOT SUCH PURCHASER SHALL BE RESPONSIBLE AT ITS OWN COST AND EXPENSE FOR ANY UPGRADES OR CHANGES IT REQUIRES.

IF ANY PHASE OR LOT IS REZONED FOR COMMERCIAL OR LIGHT INDUSTRIAL USE AND IT IS SERVICED BY THE WATER COOPERATIVE, IT MAY REQUIRE A LARGER WATER METER AND THE OWNER OF SUCH PHASE OR LOT SHALL BE SUBJECT TO DIFFERENT METER AND ARSENIC REMEDIATION EQUIPMENT FEES AS DETERMINED BY DELASHE INVESTMENTS, LLC AND ANY PERSON PURCHASING SUCH A PHASE OR LOT MUST INQUIRE AT THE TIME OF PURCHASE AS TO SUCH FEES. IN THE CASE OF MULTI-FAMILY LOTS, SUCH LOTS WILL REQUIRE A SEPARATE WATER METER FOR EACH DWELLING UNIT AND SINGLE-FAMILY RESIDENTIAL WATER METER AND ARSENIC REMEDIATION FEES SHALL APPLY TO EACH DWELLING UNIT.

SANDOVAL COUNTY OWNS PHASE 1-A AND HAS ALREADY BUILT A FIRE STATION THEREON. SANDOVAL COUNTY IS A MEMBER OF THE WATER COOPERATIVE IN CONNECTION WITH ITS OWNERSHIP OF PHASE 1-A. SANDOVAL COUNTY USES WATER COOPERATIVE WATER IN CONNECTION WITH THE FIRE STATION BUILDING AND USES, OR WILL USE, WATER COOPERATIVE WATER IN CONNECTION WITH THE FIRE HYDRANTS THAT HAVE BEEN, OR WILL BE, INSTALLED THROUGHOUT PETROGLYPH TRAILS.

(EXHIBIT C - LETTER FROM ANASAZI TRAILS WATER COOPERATIVE)

(EXHIBIT B(4) - BY-LAWS OF ANASAZI TRAILS WATER COOPERATIVE)

SEE SECTION 14(D) REGARDING THE POSSIBILITY THAT LOTS ANNEXED INTO THE TOWN OF BERNALILLO COULD BE SERVED BY THE TOWN OF BERNALILLO'S MUNICIPAL WATER SYSTEM. THE DISCLOSURES IN SECTION 14 (C)(1)-(5) OTHERWISE ASSUME SERVICE BY THE WATER COOPERATIVE.

2. WATER SOURCES

THE SOURCE OF THE WATER SUPPLY FOR THE ANASAZI TRAILS WATER COOPERATIVE WILL BE THE SANTA FE GROUP AQUIFER WHICH LIES APPROXIMATELY BETWEEN 300 AND 700 FEET BELOW THE LAND SURFACE. THE WATER BEARING STRATA IS MAINLY COARSE AND VERY COARSE SAND. REFERENCE: TECHNICAL REPORT 21; AVAILABILITY OF GROUND WATER IN THE ALBUQUERQUE AREA, BERNALILLO AND SANDOVAL COUNTIES, NEW MEXICO, 1961, AND PEGGY JOHNSON'S BUREAU OF MINES REPORT, 2000. (EXHIBIT D - EXECUTIVE SUMMARY FROM RESOURCE TECHNOLOGY, INC.)

3. MAXIMUM ANNUAL WATER REQUIREMENT

THE MAXIMUM AMOUNT OF WATER INITIALLY PROVIDED BY THE ANASAZI TRAILS WATER COOPERATIVE AND, THEREFORE, AVAILABLE FOR RESIDENTIAL USE (INCLUDING OUTDOOR USE) WILL BE NO MORE THAN .3826 ACRE FEET PER HOUSEHOLD PER YEAR OR 124,670.6 GALLONS. THIS COMPUTES TO AN AVERAGE OF 10,389.2 GALLONS PER 30 DAY MONTH PER HOUSEHOLD, OR 346.3 GALLONS PER DAY. HOWEVER, THIS FIGURE DOES NOT TAKE INTO CONSIDERATION ANY SYSTEM LOSSES DUE TO LEAKS, PERIODIC BLEEDING OF FIRE HYDRANTS AND OTHER SOURCES OF WATER USE (SUCH AS USE FOR COMMON AREAS) OR LOSS (SUCH AS FIRE SUPPRESSION), ALL OF WHICH WILL REDUCE THE AMOUNT OF WATER ACTUALLY AVAILABLE TO EACH HOUSEHOLD.

NOTE: THE WATER DEMAND ANALYSIS ENTITLED WATER SUPPLY STUDY FOR THE ANASAZI TRAILS WATER COOPERATIVE, SANDOVAL COUNTY, NEW MEXICO, SUBMITTED BY AGW

CONSULTANTS, ALBUQUERQUE, NEW MEXICO, DATED NOVEMBER 13, 2006, IS BASED ON AN AVERAGE OF 2.32 PERSONS PER LOT IN THE PLACITAS AREA WHICH COMES FROM THE 2000 CENSUS. THE STUDY CALCULATES THE WATER USE OF 0.285 GROSS ACRE FEET OF DIVERSION PER LOT PER YEAR. THE SUBDIVIDER HAS ACQUIRED AND WILL DEPOSIT WATER RIGHTS INTO THE WATER COOPERATIVE THAT WILL ALLOW FOR THE USE OF 0.3826 GROSS ACRE FEET OF WATER PER LOT PER YEAR. **NOTWITHSTANDING THE FOREGOING, THE SUBDIVIDER RESERVES THE RIGHT TO REDUCE THAT DEPOSIT OF WATER RIGHTS TO 0.285 GROSS ACRE FEET OF DIVERSION PER LOT PER YEAR, BASED ON THE AGW CONSULTANTS WATER DEMAND ANALYSIS, PROVIDED IT OBTAINS THE APPROVAL OF THE NEW MEXICO STATE ENGINEER TO DO SO AND PROVIDED FURTHER THAT SUCH APPROVAL AND DEPOSIT OCCUR PRIOR TO THE SALE OF LOTS AFFECTED THEREBY.**

TO THE EXTENT TRAILS INVESTORS, LLC, OR A PHASE PURCHASER, CHOOSES TO REZONE CERTAIN LOTS AS MULTIFAMILY OR COMMERCIAL OR LIGHT INDUSTRIAL LOTS, AND THOSE LOTS REMAIN ON THE WATER COOPERATIVE SYSTEM, THE SUBDIVIDER HAS ALREADY ACQUIRED AND WILL BE IN A POSITION TO CONVEY TO THE WATER COOPERATIVE SUCH ADDITIONAL WATER RIGHTS AS MAY BE NECESSARY TO OFFSET SUCH USAGE. MAXIMUM USAGE FOR SAID LOTS AND COSTS TO BE REIMBURSED TO THE SUBDIVIDER IF THE LOTS ARE SOLD TO A PHASE PURCHASER, IF APPLICABLE, WILL BE ESTABLISHED AT THAT TIME.

4. MEANS OF WATER DELIVERY

THE WATER SYSTEM CURRENTLY CONSISTS OF TWO WELLS LOCATED ON LOTS WITHIN THE ANASAZI TRAILS SUBDIVISION, TWO WATER STORAGE TANKS AND MISCELLANEOUS PUMPS, CONTROLS AND A DISTRIBUTION SYSTEM THAT HAS BEEN DESIGNED AND CONSTRUCTED THROUGH THE ANASAZI TRAILS AND MEADOWS SUBDIVISIONS AND ALONG PETROGLYPH TRAILS ROAD TO THE FRONTAGE ROAD. THE SUBDIVIDER HAS CONSTRUCTED, OR SHALL CONSTRUCT, DISTRIBUTION PIPES TO BRING WATER TO THE LOT LINE OF EACH LOT IT SELLS, OR TO THE PROPERTY LINE OF EACH PHASE IT SELLS.

EACH LOT PURCHASER WILL HAVE TO MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR REGARDING INSTALLATION OF WATER LINES FROM THE LOT LINE TO THE DWELLING OR BUILDING.

SIMILARLY, EACH PHASE PURCHASER WILL HAVE TO EXTEND THE WATER LINES TO EACH LOT WITHIN THE PHASE IT PURCHASES.

5. LIMITATIONS ON WATER USE/WATER CONSERVATION

THE MAXIMUM AMOUNT OF WATER RIGHTS INITIALLY ALLOTTED FOR EACH HOME (INCLUDING OUTDOOR USE) IS .3826 ACRE FEET PER HOUSEHOLD, PER YEAR, WHICH CALCULATES TO AN AVERAGE OF 10,389 GALLONS PER 30 DAY MONTH, PER HOUSEHOLD. HOWEVER, THIS FIGURE IS A GROSS FIGURE SUPPLIED BY THE COOPERATIVE. THE ACTUAL NET WATER AVAILABLE AT FULL BUILD-OUT OF THE SUBDIVISION MAY BE A SMALLER AMOUNT; SYSTEM LOSSES DUE TO LEAKS, PERIODIC BLEEDING OF FIRE HYDRANTS AND OTHER SOURCES OF WATER USE OR LOSS, SUCH AS FIRE SUPPRESSION, WILL REDUCE THE AMOUNT OF ACTUAL WATER AVAILABLE TO EACH HOUSEHOLD. THIS WAS TAKEN INTO ACCOUNT SO THE COOPERATIVE DOES NOT EXCEED ITS ABILITY TO STAY WITHIN THE CAPACITY OF ITS WATER RIGHTS AND ITS PERMITTED CONSUMPTION BY THE NEW MEXICO OFFICE OF THE STATE ENGINEER. (EXHIBIT E - STATE OF NEW MEXICO OFFICE OF THE STATE ENGINEER LETTER).

NOTE ALSO THAT NOTWITHSTANDING THE FOREGOING, THE SUBDIVIDER HAS RESERVED THE RIGHT TO REDUCE THAT DEPOSIT OF WATER RIGHTS TO 0.285 GROSS ACRE FEET OF DIVERSION PER LOT PER YEAR, BASED ON THE AGW CONSULTANTS WATER DEMAND ANALYSIS, PROVIDED IT OBTAINS THE APPROVAL OF THE NEW

MEXICO STATE ENGINEER TO DO SO AND PROVIDED FURTHER THAT SUCH APPROVAL AND DEPOSIT OCCUR PRIOR TO THE SALE OF LOTS AFFECTED THEREBY.

SINGLE-FAMILY RESIDENTIAL PROPERTIES SHALL BE LIMITED TO NOT MORE THAN 600 SQUARE FEET OF TURF, AND THE CCRs LIMIT THE AREAS OF PLANTING TO AREAS ADJACENT TO THE HOUSE. THE FOLLOWING ARE ENCOURAGED: A SELECTION OF GRASSES THAT ARE WELL ADAPTED TO LOCAL CLIMATIC CONDITIONS; LOW WATER USE LANDSCAPING TECHNIQUES APPLYING THE PRINCIPLES OF XERISCAPE; DRIP IRRIGATION WHENEVER POSSIBLE; WATER CONSERVING PLUMBING FIXTURES; WATER SOFTENERS OF THE TYPE THAT MONITORS WATER FLOW AND CHANGES IN HARDNESS TO MINIMIZE REGENERATION; WATER HARVESTING FROM ROOFTOPS INTO COURTYARDS OR UNDERGROUND CISTERNS TO BE USED FOR IRRIGATION PURPOSES (SEE STATE REGULATIONS REGARDING CISTERNS); IRRIGATION WITH RAIN WATER COLLECTED BY MEANS CONFINED TO THE PROPERTY WITH RECYCLED GRAYWATER. GRAYWATER SYSTEMS SHALL MEET THE REQUIREMENTS OF THE NEW MEXICO CONSTRUCTION INDUSTRIES DIVISION AND THE UNIFORM PLUMBING CODE. TO THE EXTENT ANY LOTS ARE REZONED AS MULTIFAMILY OR COMMERCIAL LOTS THEY WILL BE SUBJECTED TO APPROPRIATE LIMITATIONS AS DETERMINED BY THE SUBDIVIDER, THE WATER COOPERATIVE AND/OR ANY APPLICABLE LAWS AND REGULATIONS.

THE FOLLOWING ARCHITECTURAL ELEMENTS ARE DISCOURAGED: DECORATIVE PONDS, WATERFALLS AND FOUNTAINS, AS THEY ALLOW EVAPORATION TO OCCUR, AND NON-NATIVE GRASSES WITH HIGH WATER REQUIREMENTS SUCH AS KENTUCKY BLUEGRASS AND TALL FESCUE.

HOT TUBS AND POOLS ARE ALLOWED BUT SHALL HAVE COVERS THAT MINIMIZE EVAPORATION AND LOSS. POOLS MUST BE FILLED FROM AN OUTSIDE SOURCE. POOLS MAY NOT BE "TOPPED UP" WITH COOPERATIVE WATER.

THE WATER COOPERATIVE BY-LAWS REQUIRE THAT WATER USAGE FOR EACH LOT BE MONITORED FOR COMPLIANCE WITH RESTRICTIONS ON CONSUMPTION BY THE WATER COOPERATIVE. THE WATER COOPERATIVE SHALL ASSESS AN INCREASING RATE STRUCTURE FOR LOTS THAT EXCEED 6,000 GALLONS PER MONTH. THE RATE STRUCTURE SHALL BE BASED ON A SLIDING SCALE WITH THE COST INCREASING AS MORE WATER IS USED. FUNDS COLLECTED THROUGH THIS RATE STRUCTURE MAY BE USED TO IMPLEMENT AN EDUCATION PROGRAM AIMED SPECIFICALLY AT PROMOTING WATER CONSERVATION AND/OR THE POSSIBLE PURCHASE OF ADDITIONAL WATER RIGHTS BY THE WATER COOPERATIVE IF IT BECOMES NECESSARY IN THE FUTURE. ALTHOUGH SOME COOPERATIVE MEMBERS MAY FROM TIME TO TIME USE MORE THAN 1/12 OF THEIR YEARLY ALLOTMENT IN A GIVEN MONTH AND WILL BE CHARGED HIGHER RATES FOR HIGHER CONSUMPTION, THIS IN NO WAY IMPLIES THE RIGHT TO USE MORE THAN THE ALLOTTED ANNUALIZED AMOUNT. AT ANY TIME, THE COOPERATIVE RESERVES THE RIGHT TO REFUSE TO ALLOW SUCH USERS ACCESS TO FURTHER WATER AND/OR TO CHARGE ADDITIONAL FEES OR PENALTIES TO USERS WHO HAVE USED MORE THAN THE AMOUNT OF WATER ALLOTTED TO EACH LOT (.3826 ACRE FEET PER YEAR, UNLESS SAID AMOUNT IS REDUCED AS PERMITTED BY THE NEW MEXICO STATE ENGINEER).

THE WATER COOPERATIVE BY-LAWS ALSO REQUIRE THAT ITS MEMBERS MEET CONSERVATION STANDARDS REQUIRED BY APPENDIX A TO LAND SUBDIVISION REGULATIONS OF SANDOVAL COUNTY, AND SECTION 6 OF THE WATER CONSERVATION AND QUANTIFICATION OF WATER DEMANDS IN SUBDIVISIONS: A GUIDANCE MANUAL FOR PUBLIC OFFICIALS AND DEVELOPERS, BRIAN C. WILSON, P.E., NEW MEXICO STATE ENGINEER OFFICE, TECHNICAL REPORT 48, FEBRUARY 1996. THOSE STANDARDS INCLUDE REQUIREMENTS FOR USE OF LOW WATER PLUMBING FIXTURES AND APPLIANCES AND LIMITATIONS ON LANDSCAPING TO LIMIT WATER CONSUMPTION. A METER WILL BE PLACED ON EACH LOT TO ENSURE COMPLIANCE AND TO RECORD USAGE FOR BILLING PURPOSES.

EACH PURCHASER OF A PHASE OR LOT ON THE ANASAZI TRAILS WATER COOPERATIVE SYSTEM SHOULD REVIEW THE ANASAZI TRAILS WATER COOPERATIVE ARTICLES OF INCORPORATION AND BY-LAWS AND ALL AMENDMENTS THERETO, IN ADDITION TO THE CCRs, AND ALL AMENDMENTS THERETO, WITH REGARD TO LIMITATIONS AND RESTRICTIONS, ENCOURAGEMENTS AND DISCOURAGEMENTS ON WATER USE.

D. MUNICIPAL WATER

WITHIN PETROGLYPH TRAILS SUBDIVISION, SOME PHASES AND/OR LOTS MAY BE ANNEXED TO THE TOWN OF BERNALILLO AND REZONED AND/OR REPLATTED. TO THE EXTENT THEY ARE SO ANNEXED, TRAILS INVESTORS, LLC, OR THE PURCHASER OF AN APPLICABLE PHASE IF SUCH PURCHASER SEEKS ANNEXATION, MAY CHOOSE TO UTILIZE WATER SUPPLIED BY THE TOWN'S MUNICIPAL SYSTEM FOR ALL OR SOME OF SAID PHASE OR THE LOTS THEREIN. IF LOTS THAT ARE ANNEXED ARE SERVED BY THE TOWN OF BERNALILLO'S WATER SYSTEM THEN THE FOLLOWING WOULD APPLY: (1) OWNERS OF THOSE LOTS UTILIZING TOWN WATER WOULD NOT BECOME MEMBERS OF THE ANASAZI TRAILS WATER COOPERATIVE; (2) OWNERS OF THOSE LOTS WOULD PAY A FEE TO THE TOWN TO CONNECT TO THE TOWN'S WATER SUPPLY; (3) OWNERS OF THOSE LOTS WOULD ADHERE TO THE TOWN'S ORDINANCES WITH REGARD TO MUNICIPAL WATER CONNECTION AS WELL AS THE PETROGLYPH TRAILS CCRs AND ARCHITECTURAL GUIDELINES; (3) THE SUBDIVIDER OR PURCHASER OF THE APPLICABLE PHASE (AS AGREED BETWEEN SAID PARTIES) WOULD EITHER DEPOSIT INITIAL WATER RIGHTS INTO THE TOWN'S WELLS TO SATISFY A WATER BUDGET APPROVED BY THE TOWN OR OTHERWISE MEET THE TOWN'S WATER REQUIREMENTS ; (4) A COMMERCIAL OR LIGHT INDUSTRIAL LOT OWNER WITH A BUSINESS REQUIRING MORE WATER RIGHTS THAN INITIALLY DEPOSITED INTO THE TOWN BY THE SUBDIVIDER ON BEHALF OF THE LOT WOULD BE REQUIRED TO NEGOTIATE ITS OWN WATER BUDGET WITH THE TOWN AND WOULD BE SOLELY RESPONSIBLE TO SECURE THE EXTRA WATER RIGHTS THAT MAY BE REQUIRED BY THE TOWN.

E. TELEPHONE AND CABLE TV

SALE TO INDIVIDUAL LOT PURCHASERS: THE ENTITY CURRENTLY PROVIDING TELEPHONE SERVICE IS QWEST COMMUNICATIONS. THE SUBDIVIDER WILL MAKE TELEPHONE LINES AVAILABLE TO EACH LOT LINE OF THE LOTS IT SELLS. SUBJECT TO FUTURE RATE CHANGES, EACH LOT PURCHASER WILL INCUR A CHARGE ON THE INITIAL TELEPHONE BILL FOR TELEPHONE HOOK-UP ASSESSED BY QWEST COMMUNICATIONS. THE SUBDIVIDER WILL ONLY CONTRACT WITH QWEST COMMUNICATIONS FOR UP TO TWO TELEPHONE LINES PER RESIDENTIAL LOT. IF A RESIDENTIAL LOT PURCHASER DESIRES MORE THAN TWO LINES, THEN SUCH PURCHASER WILL HAVE TO CHECK WITH QWEST COMMUNICATIONS FOR AVAILABILITY AND WILL HAVE TO PAY ADDITIONAL AMOUNTS FOR INSTALLATION OF THE ADDITIONAL LINES. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY REGARDING INSTALLATION OF THE TELEPHONE LINES FROM HIS/HER LOT LINE TO THE DWELLING.

IN THE PAST, SOME NEW LOT OWNERS IN THE PLACITAS AREA HAVE EXPERIENCED DELAY IN OBTAINING PHONE SERVICE. TO MINIMIZE THESE DELAYS, EACH PURCHASER IS ENCOURAGED TO ADVISE QWEST IN ADVANCE OF THE PURCHASER'S CONSTRUCTION START DATE AND TO ASK THE PURCHASER'S CONTRACTOR TO CONTACT THE COMPANY AGAIN AS SOON AS THE FOUNDATION IS IN PLACE. THE SUBDIVIDER IS NOT RESPONSIBLE FOR ANY INCONVENIENCE A PURCHASER MAY EXPERIENCE BECAUSE OF SERVICE DELAYS.

THE ENTITY CURRENTLY PROVIDING CABLE TV SERVICE IS COMCAST. THE SUBDIVIDER WILL MAKE CABLE TV LINES AVAILABLE TO EACH LOT LINE OF THE LOTS IT SELLS. SUBJECT TO FUTURE RATE CHANGES, EACH LOT PURCHASER WILL INCUR A CHARGE ON THE INITIAL CABLE TV BILL FOR CABLE HOOK-UP ASSESSED BY COMCAST. THE SUBDIVIDER WILL ONLY CONTRACT WITH COMCAST FOR ONE CABLE LINE PER RESIDENTIAL LOT. IF A RESIDENTIAL LOT PURCHASER DESIRES MORE THAN ONE CABLE TV LINE, THEN SUCH PURCHASER WILL

HAVE TO CHECK WITH COMCAST FOR AVAILABILITY AND WILL HAVE TO PAY ADDITIONAL AMOUNTS FOR INSTALLATION OF THE ADDITIONAL LINES. EACH LOT PURCHASER MUST MAKE ARRANGEMENTS WITH HIS OR HER OWN GENERAL CONTRACTOR AND THE UTILITY REGARDING INSTALLATION OF THE CABLE TV LINE FROM HIS/HER LOT LINE TO THE DWELLING.

MULTIFAMILY AND COMMERCIAL AND LIGHT INDUSTRIAL LOT PURCHASERS MAY BE SUBJECT TO DIFFERENT FEES AND SHOULD CONTACT QWEST AND COMCAST DIRECTLY TO DISCUSS THE SAME.

SALE OF A PHASE TO A DEVELOPER/BUILDER: THE SUBDIVIDER WILL MAKE TELEPHONE AND CABLE TV LINES SUFFICIENT TO PROVIDE TWO TELEPHONE LINES AND ONE CABLE TV LINE TO EACH LOT ANTICIPATED ON THE PHASING PLAN AVAILABLE TO ONE POINT ON THE PROPERTY LINE IN CONNECTION WITH EACH PHASE PURCHASER. REIMBURSEMENT OF THE COST THEREOF SHALL BE THE SUBJECT OF NEGOTIATION BETWEEN THE PARTIES. PHASE PURCHASERS SHALL BE RESPONSIBLE FOR DETERMINING WHETHER SUCH CAPACITY IS SUFFICIENT FOR THEIR NEEDS AND SHALL BE RESPONSIBLE FOR THE COST AND EXPENSES OF ANY UPGRADE OR ADDITIONAL LINES.

F. SOLID AND LIQUID WASTE (TRASH/SEPTIC)

THE SUBDIVIDER IS NOT PROVIDING LIQUID WASTE (SEPTIC) DISPOSAL OR SOLID WASTE (TRASH) DISPOSAL SERVICE. THERE ARE PRIVATE COMPANIES THAT ARE WILLING AND ABLE TO PROVIDE SOLID WASTE (TRASH) REMOVAL. SEE LETTER ATTACHED - **EXHIBIT F**.

THERE ARE ALSO COMPANIES THAT SPECIALIZE IN THE CONSTRUCTION OF LIQUID WASTE SYSTEMS COMMONLY KNOWN AS SEPTIC SYSTEMS. THE SUBDIVIDER HAS OBTAINED A LETTER FROM THE NEW MEXICO ENVIRONMENT DEPARTMENT - **EXHIBIT G** - CONFIRMING THAT ALL LOTS WITHIN PETROGLYPH TRAILS CAN BE SERVED BY SEPTIC SYSTEMS. HOWEVER, PRIOR TO CONSTRUCTION OF HIS/HER HOME EACH LOT OWNER WILL HAVE TO SUBMIT HIS OWN PERMIT APPLICATION TO THE ENVIRONMENT DEPARTMENT IN ORDER TO OBTAIN A PERMIT TO INSTALL A SEPTIC TANK. OWNERS WILL BE REQUIRED TO PROVIDE CERTAIN INFORMATION AND WILL BE REQUIRED TO PAY CERTAIN FEES IN ORDER TO OBTAIN SUCH PERMIT. IN SOME CASES, THE NEW MEXICO ENVIRONMENT DEPARTMENT MAY REQUIRE A LOT OWNER TO INSTALL AN UPGRADED LIQUID WASTE SYSTEM.

THERE IS A POSSIBILITY THAT AT SOME TIME IN THE FUTURE A SANITARY SEWER SYSTEM FOR LIQUID WASTE DISPOSAL MAY BE AVAILABLE TO ALL OR A PART OF PETROGLYPH TRAILS WHICH IS DEVELOPED FOR MULTI-FAMILY USE. IF THAT WERE TO HAPPEN, OWNERS OF LOTS USED FOR MULTI-FAMILY USE ELIGIBLE FOR SEWER SERVICE MAY BE REQUIRED TO HOOK UP TO THE SEWER SYSTEM AND WOULD HAVE TO PAY FEES ASSOCIATED THEREWITH. IF THIS SHOULD HAPPEN AFTER A PHASE OR LOT OWNER HAS ALREADY INSTALLED A SEPTIC SYSTEM FOR MULTI-FAMILY USE, HE/SHE COULD FIND HIMSELF/HERSELF HAVING PAID FOR A SEPTIC SYSTEM AND THEN HAVING TO PAY TO HOOK UP TO AND USE THE SEWER SYSTEM. PLEASE INQUIRE ABOUT THE STATUS OF THIS POSSIBILITY PRIOR TO PURCHASE.

G. EXTRAORDINARY CONDITIONS

ANY COST PROVIDED WITH REGARD TO UTILITIES ARE ESTIMATES ONLY AND APPLY ONLY TO RESIDENTIAL LOTS. PHASE PURCHASERS WILL HAVE TO INQUIRE AS TO UTILITY COSTS ASSOCIATED WITH EXTENDING UTILITIES TO EACH LOT WITHIN A PHASE.

ESTIMATES ARE BASED ON THE THEN-CURRENT PRACTICES BY THE UTILITIES. ESTIMATES DO NOT TAKE INTO ACCOUNT TERRAIN CHARACTERISTICS THAT MAY MAKE IT DIFFICULT TO EXTEND THE UTILITY LINES ON A PARTICULAR LOT AND/OR TO INSTALL LIQUID WASTE

DISPOSAL SYSTEMS. ADDITIONAL AMOUNTS MAY BE CHARGED FOR SUCH CONDITIONS. THE SUBDIVIDER CANNOT CURRENTLY ASCERTAIN THE DIFFICULTY OF EXTENDING LINES TO EACH HOUSE BECAUSE IT VARIES WITH THE HOUSE SITE AND THE TERRAIN CHARACTERISTICS. ESTIMATED COSTS, IF ANY, PROVIDED BY THE SUBDIVIDER WILL BE BASED ON THE ASSUMPTION THAT THE ELECTRIC, GAS, CABLE TV AND TELEPHONE LINES ARE PLACED IN ONE TRENCH. THE PURCHASER SHOULD REFER TO THE CURRENT TARIFFS AND RATE SCHEDULES FILED WITH THE NEW MEXICO PUBLIC REGULATORY COMMISSION, OR CALL THE UTILITIES DIRECTLY FOR MORE INFORMATION CONCERNING THE COSTS ASSOCIATED WITH THE EXTENSION OF UTILITY LINES. TRAILS INVESTORS, LLC HAS NO CONTROL OVER WHETHER SUCH PUBLIC UTILITY COMPANIES WILL REMAIN VIABLE IN THE FUTURE.

15. UTILITY INSTALLATION AND LOCATION

SALE TO INDIVIDUAL LOT PURCHASERS: TELEPHONE SERVICE, GAS, CABLE TV AND ELECTRIC SERVICE WILL BE PROVIDED TO EACH LOT AT THE LOT LINE BY THE SUBDIVIDER OR, IF THE LOT IS WITHIN A PHASE THAT HAS BEEN SOLD BY THE SUBDIVIDER, IT WILL BE PROVIDED BY THE OWNER OF THE APPLICABLE PHASE(S). HOWEVER, DEPENDING ON WHEN A LOT IS PURCHASED, SAID UTILITIES MAY OR MAY NOT ALREADY HAVE BEEN INSTALLED. LOT PURCHASERS SHOULD CHECK WITH TRAILS INVESTORS, LLC, OR THEIR SELLER, FOR THE LATEST INFORMATION AS TO WHEN SAID UTILITIES ARE ESTIMATED TO BE INSTALLED, IF THEY HAVE NOT ALREADY BEEN INSTALLED. LOT PURCHASERS SHALL BE RESPONSIBLE FOR EXTENDING UTILITY SERVICE FROM PURCHASER'S LOT LINE TO THE HOUSE, OR IN THE CASE OF MULTIFAMILY, COMMERCIAL AND LIGHT INDUSTRIAL LOTS, TO THE BUILDING(S). EACH OF THE ON-SITE UTILITIES SERVING PETROGLYPH TRAILS WILL BE LOCATED UNDERGROUND.

SALE OF A PHASE TO A DEVELOPER/BUILDER: TELEPHONE SERVICE, GAS, CABLE TV AND ELECTRIC SERVICE WILL BE PROVIDED TO ONE POINT ON THE PROPERTY LINE OF A PHASE BEING SOLD AS A PHASE. REIMBURSEMENT OF THE COST THEREOF SHALL BE THE SUBJECT OF NEGOTIATION BETWEEN THE PARTIES. AS NOTED ABOVE, THE PURCHASER SHALL BE RESPONSIBLE FOR DETERMINING WHETHER THE CAPACITY OF THE SERVICE WILL BE SUFFICIENT FOR THE PURCHASER'S NEEDS.

16. WATER AVAILABILITY

SEE SECTION 14(C) REGARDING THE WATER COOPERATIVE/COMMUNITY WATER SYSTEM AND SECTION 14(D) REGARDING POSSIBLE MUNICIPAL WATER FROM THE TOWN OF BERNALILLO.

17. LIFE EXPECTANCY OF WATER COOPERATIVE WATER SUPPLY

IF ALL OF THE LOT OWNERS LIMIT THEIR USE AS REQUIRED BY THE WATER COOPERATIVE, THEN TRAILS INVESTORS, LLC ANTICIPATES THAT THE LIFE EXPECTANCY OF THE WATER SUPPLY FROM THE ANASAZI TRAILS WATER COOPERATIVE WILL BE IN EXCESS OF 100 YEARS.

GROUNDWATER PUMPING BY OTHER LOCAL AND REGIONAL USERS, AQUIFER RECHARGE, WEATHER, NATURAL AND MANMADE CONTAMINANTS AND OTHER CONDITIONS, ALL OF WHICH ARE BEYOND THE CONTROL OF TRAILS INVESTORS, LLC, COULD AFFECT AND DEplete THE WATER SUPPLY PRIOR TO ONE HUNDRED (100) YEARS. THE SUBDIVIDER HAS NO CONTROL OVER THESE VARIABLES.

18. SURFACE WATER

THIS SUBDIVISION IS NOT BENEFITTED WITH SURFACE WATER RIGHTS.

19. NEW MEXICO STATE ENGINEER'S OPINION ON WATER AVAILABILITY

SEE EXHIBIT E.

20. WATER QUALITY

SAMPLES OF WATER FROM THE TWO ANASAZI TRAILS WATER COOPERATIVE WELLS HAVE BEEN TESTED FOR QUALITY. THE RESULTS ARE ATTACHED AS EXHIBIT H. THESE RESULTS VERIFY THAT WATER OF AN ACCEPTABLE QUALITY FOR HUMAN CONSUMPTION CAN BE FURNISHED FROM THE ANASAZI TRAILS WATER COOPERATIVE WELLS. THE ANASAZI TRAILS WATER COOPERATIVE HAS BEEN DESIGNATED AS A PUBLIC WATER SYSTEM AND CONSEQUENTLY FALLS UNDER CERTAIN STATE AND FEDERAL REGULATIONS ADMINISTERED BY THE NEW MEXICO ENVIRONMENT DEPARTMENT (NMED). THE NMED WILL PERIODICALLY PERFORM WATER QUALITY TESTING IN ACCORDANCE WITH STATE AND FEDERAL REQUIREMENTS. THE COST OF SUCH TESTING WILL BE SUBSIDIZED BY A QUARTERLY WATER CONSERVATION FEE PAID BY THE WATER COOPERATIVE. FURTHER, EACH LOT OWNER SHALL BE REQUIRED TO INSTALL A REVERSE OSMOSIS POINT OF USE WATER TREATMENT SYSTEM. SUCH A SYSTEM NEED ONLY PROVIDE A SEPARATE SPIGOT FOR DRINKING WATER ONLY, USUALLY IN THE KITCHEN. THE APPROXIMATE COST OF A REVERSE OSMOSIS POINT OF USE WATER TREATMENT SYSTEM FOR A SINGLE-FAMILY RESIDENTIAL DWELLING IS IN THE RANGE OF \$500. THESE REVERSE OSMOSIS UNITS MUST BE INSTALLED AND MAINTAINED BY THE OWNER OF EACH SINGLE-FAMILY RESIDENTIAL LOT AND BY THE BUILDER OR OWNER OF EACH RESIDENTIAL DWELLING IN A MULTI-FAMILY STRUCTURE. COMMERCIAL AND LIGHT INDUSTRIAL LOT PURCHASERS MAY BE SUBJECT TO DIFFERENT REQUIREMENTS.

A. ARSENIC

THE ARSENIC LEVEL IN THE WATER PROVIDED BY THE ANASAZI TRAILS WATER COOPERATIVE COMPLIES WITH THE 2006 EPA MAXIMUM ALLOWABLE LEVEL OF ≤ 10 PARTS PER BILLION. THE ARSENIC LEVEL IS IN COMPLIANCE AS A RESULT OF ARSENIC REMEDIATION EQUIPMENT INSTALLED IN MARCH OF 2008. THIS EQUIPMENT AND ITS ONGOING MAINTENANCE IS BEING PAID FOR BY THE COOPERATIVE MEMBERS AND APPEARS AS A LINE ITEM CHARGE ON THE MONTHLY WATER BILL, CURRENTLY \$25.00 PER MONTH, PER SINGLE-FAMILY RESIDENTIAL LOT. IT IS THE SOLE PREROGATIVE OF THE ANASAZI TRAILS WATER COOPERATIVE BOARD OF DIRECTORS AS TO AMOUNT AND DURATION OF THIS LINE ITEM CHARGE; HOWEVER, IT IS ANTICIPATED TO BE REDUCED OVER TIME AS MAINTENANCE, REPAIR AND REPLACEMENT COSTS BECOME A KNOWN FACTOR.

AT THE TIME OF THE PURCHASE OF HIS OR HER RESIDENTIAL LOT EACH SUCH LOT PURCHASER SHALL BE SUBJECT TO A ONE-TIME FEE OF \$372 PAYABLE TO THE WATER COOPERATIVE TO HELP DEFRAY THE COST OF THE ARSENIC REMEDIATION EQUIPMENT. PURCHASERS OF PHASES OR OF MULTI-FAMILY, COMMERCIAL AND LIGHT INDUSTRIAL LOTS MAY BE SUBJECT TO DIFFERENT FEES.

21. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON WATER QUALITY

SEE EXHIBIT G AND EXHIBIT H.

22. LIQUID WASTE DISPOSAL

INDIVIDUAL SEPTIC TANKS WITH LEACH FIELDS WILL BE THE RESPONSIBILITY OF THE INDIVIDUAL LOT OWNER. MULTIFAMILY, COMMERCIAL AND LIGHT INDUSTRIAL LOTS MAY BE SUBJECT TO DIFFERENT REQUIREMENTS. PURCHASERS OF ALL PHASES AND LOTS ARE ADVISED TO INQUIRE ABOUT THIS WITH THE NEW MEXICO ENVIRONMENT DEPARTMENT PRIOR TO PURCHASE. NO SEPTIC SYSTEM SHALL BE INSTALLED ON ANY LOT EXCEPT WITH PRIOR APPROVAL FROM THE NEW MEXICO ENVIRONMENT DEPARTMENT. SOIL

CHARACTERISTICS AT THE SITE ARE VARIABLE. SOIL LIMITATIONS FOR THE INSTALLATION OF SEPTIC TANK SYSTEMS RANGE FROM SLIGHT TO SEVERE DUE TO SOIL DEPTH AND SLOPE. (SEE SECTION 25). EACH LOT WILL REQUIRE A SITE-SPECIFIC SOILS ASSESSMENT AND LIQUID WASTE SYSTEM DESIGN IN ORDER TO PROVIDE A FUNCTIONING SYSTEM PERMISSIBLE UNDER THE ENVIRONMENT IMPROVEMENT BOARD'S LIQUID WASTE DISPOSAL REGULATIONS. DUE TO EXISTING SOIL CONDITIONS, ALTERNATE TREATMENT SYSTEMS, WHICH COULD BE MORE EXPENSIVE AND DIFFICULT TO INSTALL, MIGHT BE REQUIRED ON SOME LOTS. THE INDIVIDUAL SEPTIC SYSTEMS MUST CONFORM TO THE APPLICABLE REQUIREMENTS AND REGULATIONS OF THE NEW MEXICO ENVIRONMENT DEPARTMENT (NMED). THE NMED LIMITS THE MAXIMUM AMOUNT OF DAILY SEWAGE FLOW, BASED ON THE TOTAL DESIGN FLOW OF THE SEPTIC SYSTEM THAT CAN BE DISPOSED OF ON EACH LOT DEPENDING ON THE LOT SIZE. ALL OF THE LOTS ARE SUFFICIENTLY LARGE TO MEET THE NMED MINIMUM .75 ACRE SIZE REQUIREMENT. DUE TO THE NATURE OF THE SUBDIVISION AND THE SUBDIVIDERS' INTENT THAT LOTS ARE TO BE LEFT WITH NATURAL TOPOGRAPHY AND VEGETATION INTACT, DRAINAGE FIELDS MUST BE DESIGNED PARALLEL TO THE TOPOGRAPHICAL CONTOURS. THE CURRENT NEW MEXICO ENVIRONMENT DEPARTMENT RESTRICTIONS WITH RESPECT TO NUMBER OF BEDROOMS ON A PARTICULAR SINGLE-FAMILY RESIDENTIAL LOT ARE AS FOLLOWS, BUT MAY CHANGE FROM TIME TO TIME. FOR UPDATES ON CURRENT REGULATIONS PERTAINING TO SEPTIC SYSTEMS, PLEASE CALL THE NMED AT 892-4483:

NO. OF BEDROOMS ALLOWED	TOTAL DESIGN FLOW (gallons per day)	MINIMUM LOT SIZE REQUIRED (acres)
2 BR	Less than 375	0.75
3 BR	375	0.75
4 BR	450	0.90
5 BR	600	1.20

DUE TO THESE LIMITATIONS, THE CURRENT NUMBER OF OCCUPANTS PER SINGLE-FAMILY RESIDENTIAL LOT WILL BE LIMITED BY THE ENVIRONMENT DEPARTMENT REGULATIONS IN EFFECT AT THE TIME OF CONSTRUCTION OF A RESIDENCE. FOR EXAMPLE, LOTS WITH AN AREA OF MORE THAN 0.75 AND LESS THAN 0.90 ACRES WILL BE LIMITED TO A THREE BEDROOM HOUSE OCCUPIED BY A MAXIMUM OF FIVE RESIDENTS. LOTS WITH ACREAGE OVER 0.90 CAN HAVE UP TO FOUR BEDROOMS. PURCHASER SHOULD REVIEW THE CURRENT NEW MEXICO ENVIRONMENT DEPARTMENT REGULATIONS AND GUIDELINES FOR SPECIFICS REGARDING THE AFOREMENTIONED RESTRICTIONS. PURCHASERS OF PHASES AND MULTIFAMILY AND COMMERCIAL LOT PURCHASERS MUST CHECK WITH THE NEW MEXICO ENVIRONMENT DEPARTMENT REGULATIONS AND GUIDELINES FOR INFORMATION RELEVANT TO THEIR PHASE(S) OR LOTS.

NOTE: NO LIQUID WASTE DISPOSAL SYSTEM MAY BE USED IN A SUBDIVISION OTHER THAN A SYSTEM APPROVED FOR USE IN THE SUBDIVISION BY THE BOARD OF SANDOVAL COUNTY COMMISSIONERS AND THE NEW MEXICO ENVIRONMENT DEPARTMENT.

23. NEW MEXICO ENVIRONMENT DEPARTMENT'S OPINION ON LIQUID WASTE DISPOSAL

SEE EXHIBIT G.

24. SOLID WASTE DISPOSAL

EACH LOT OWNER WILL BE RESPONSIBLE FOR PLACING SOLID WASTE IN APPROVED CONTAINERS AND CONTRACTING WITH AN INDEPENDENT TRASH REMOVAL SERVICE OR TAKING THE WASTE TO THE SANDOVAL COUNTY LANDFILL SITE. SEE LETTER FROM NEW MEXICO RUBBISH REMOVAL CONCERNING THEIR WILLINGNESS TO COLLECT SOLID WASTE ATTACHED AS EXHIBIT F.

25. TERRAIN MANAGEMENT

A. SOIL TYPES, LOCATION AND SUITABILITY

ILDEFONSO-HARVEY ASSOCIATION

THIS MAP UNIT IS ON DISSECTED BAJADAS. SLOPE IS 10 TO 35 PERCENT. AREAS ARE IRREGULAR IN SHAPE AND ARE 100 TO 1,600 ACRES IN SIZE. THE NATIVE VEGETATION IS MAINLY GRASSES WITH SCATTERED JUNIPER. ELEVATION IS 5,000 TO 5,700 FEET. THE AVERAGE ANNUAL PRECIPITATION IS 10 TO 12 INCHES, THE AVERAGE ANNUAL AIR TEMPERATURE IS 52 TO 54 DEGREES F, AND THE AVERAGE FROST-FREE PERIOD IS 120 TO 140 DAYS.

THIS UNIT IS 50 PERCENT ILDEFONSO VERY GRAVELLY SANDY LOAM, 10 TO 35 PERCENT SLOPES AND 30 PERCENT HARVEY LOAM, 10 TO 15 PERCENT SLOPES. THE ILDEFONSO SOILS ARE ON EDGES OF DISSECTED BAJADAS, AND HARVEY SOILS ARE ON THE FLAT AREAS OF THE BAJADAS.

INCLUDED IN THIS UNIT ARE SMALL AREAS OF PLACITAS SOILS ON STEEP SLOPES, LA FONDA SOILS ALONG WITH DRAINAGE WAYS AND RIVERWASH IN THE ARROYO CHANNELS. INCLUDED AREAS MAKE UP ABOUT 20 PERCENT OF THE TOTAL ACREAGE.

THE ILDEFONSO SOIL IS DEEP AND WELL DRAINED. IT FORMED IN MIXED ALLUVIUM, COLLUVIUM, AND EOLIAN MATERIAL DERIVED DOMINANTLY FROM BASALT. TYPICALLY, THE SURFACE LAYER IS PALE BROWN, VERY GRAVELLY SANDY LOAM ABOUT 6 INCHES THICK. THE SUBSOIL IS VERY PALE BROWN, VERY GRAVELLY SANDY LOAM ABOUT 32 INCHES THICK. THE SUBSTRATUM TO A DEPTH OF 60 INCHES OR MORE IS PINK VERY GRAVELLY SANDY LOAM.

PERMEABILITY OF THE ILDEFONSO SOIL IS MODERATELY RAPID. AVAILABLE WATER CAPACITY IS LOW. EFFECTIVE ROOTING DEPTH IS 60 INCHES OR MORE. RUNOFF IS SLOW, AND THE HAZARD OF WATER EROSION IS MODERATE. THE HAZARD OF SOIL BLOWING IS SLIGHT.

THE HARVEY SOIL IS DEEP AND WELL DRAINED. IT FORMED IN MIXED ALLUVIUM AND EOLIAN MATERIAL. TYPICALLY, THE SURFACE LAYER IS LIGHT BROWN LOAM ABOUT 4 INCHES THICK. THE SUBSOIL IS LIGHT BROWN LOAM ABOUT 19 INCHES THICK. THE UPPER 13 INCHES OF THE SUBSTRATUM IS WHITE LOAM. THE LOWER PART TO A DEPTH OF 60 INCHES OR MORE IS LIGHT BROWN SANDY LOAM.

PERMEABILITY OF THE HARVEY SOIL IS MODERATE. AVAILABLE WATER CAPACITY IS HIGH. EFFECTIVE ROOTING DEPTH IS 60 INCHES OR MORE. RUNOFF IS MEDIUM, AND THE HAZARD OF WATER EROSION IS MODERATE. THE HAZARD OF SOIL BLOWING IS MODERATE.

WITT-HARVEY ASSOCIATION

THIS MAP UNIT IS ON BAJADAS. AREAS ARE ELONGATED IN SHAPE AND ARE 50 TO 400 ACRES IN SIZE. THE NATIVE VEGETATION IS MAINLY GRASSES. ELEVATION IS 5,600 TO 6,700 FEET. THE AVERAGE ANNUAL PRECIPITATION IS 10 TO 12 INCHES. THE AVERAGE ANNUAL AIR TEMPERATURE IS 52 TO 54 DEGREES F, AND THE AVERAGE FROST-FREE PERIOD IS 120 TO 140 DAYS.

THIS UNIT IS 55 PERCENT WITT LOAM, 1 TO 7 PERCENT SLOPES AND 30 PERCENT HARVEY LOAM, 1 TO 7 PERCENT SLOPES. WITT SOILS ARE ON BROAD FLAT FAN TERRACES, AND HARVEY SOILS ARE ON MORE DISSECTED AREAS OF THE BAJADAS.

INCLUDED IN THIS UNIT ARE SMALL AREAS OF ILDEFONSO SOILS ON DISSECTED GRAVELLY SLOPES AND LA FONDA SOILS ALONG SWALES AND DRAINAGE WAYS. INCLUDED AREAS MAKE UP ABOUT 15 PERCENT OF THE TOTAL ACREAGE.

IN SOME PLACES ALONG THE BERNALILLO AND SANTA FE COUNTY LINES ARE SOILS SIMILAR TO HARVEY SOILS BUT HAVE MORE CLAY IN THE SUBSOILS, AND SOILS SIMILAR TO WITT SOILS BUT HAVE MORE CLAY IN THE SUBSOILS, AND SOME HAVE A DARK COLORED SURFACE LAYER.

THE WITT SOIL IS DEEP AND WELL DRAINED. IT FORMED IN MIXED ALLUVIUM AND EOLIAN SEDIMENTS. TYPICALLY, THE SURFACE LAYER IS BROWN LOAM ABOUT 3 INCHES THICK. THE SUBSOIL IS BROWN AND LIGHT BROWN SILT LOAM AND SILTY CLAY LOAM ABOUT 22 INCHES THICK. THE SUBSTRATUM TO A DEPTH OF 60 INCHES OR MORE IS LIGHT BROWN, PINK AND PINKISH WHITE SILT LOAM.

PERMEABILITY OF THE WITT SOIL IS MODERATELY SLOW. AVAILABLE WATER CAPACITY IS VERY HIGH. EFFECTIVE ROOTING DEPTH IS 60 INCHES OR MORE. RUNOFF IS MEDIUM, AND THE HAZARD OF WATER EROSION IS MODERATE. THE HAZARD OF SOIL BLOWING IS SLIGHT.

THE HARVEY SOIL IS DEEP AND WELL DRAINED. IT FORMED IN MIXED ALLUVIUM AND EOLIAN SEDIMENTS. TYPICALLY, THE SURFACE LAYER IS BROWN LOAM ABOUT 10 INCHES THICK. THE SUBSOIL IS BROWN AND PINK CLAY LOAM ABOUT 18 INCHES THICK. THE UPPER 14 INCHES OF THE SUBSTRATUM IS PINKISH WHITE SANDY LOAM. THE LOWER PART TO A DEPTH OF 60 INCHES OR MORE IS LIGHT BROWN SANDY LOAM.

PERMEABILITY OF THE HARVEY SOIL IS MODERATE. AVAILABLE WATER CAPACITY IS HIGH. EFFECTIVE ROOTING DEPTH IS 60 INCHES OR MORE. RUNOFF IS MEDIUM, AND THE HAZARD OF WATER EROSION IS MODERATE. THE HAZARD OF SOIL BLOWING IS MODERATE.

ZIA SANDY LOAM

THIS DEEP, WELL-DRAINED SOIL IS ON STREAM TERRACES. IT FORMED IN MIXED ALLUVIUM, AND EOLIAN SEDIMENTS DERIVED FROM SANDSTONE. SLOPE IS 3 TO 6 PERCENT. AREAS ARE IRREGULAR IN SHAPE AND ARE 50 TO 500 ACRES IN SIZE. THE NATIVE VEGETATION IS MAINLY GRASSES. ELEVATION IS 5,100 TO 5,700 FEET. THE AVERAGE ANNUAL PRECIPITATION IS 10 TO 12 INCHES, THE AVERAGE ANNUAL AIR TEMPERATURE IS 52 TO 54 DEGREES F, AND THE AVERAGE FROST-FREE PERIOD IS 120 TO 140 DAYS.

TYPICALLY, THE SURFACE LAYER IS BROWN SANDY LOAM ABOUT 4 INCHES THICK. THE UNDERLYING MATERIAL TO A DEPTH OF 60 INCHES OR MORE IS BROWN SANDY LOAM.

INCLUDED IN THIS UNIT ARE SMALL AREAS OF SAN MATEO SOILS ON FLOOD PLAINS. RIVERWASH IN THE ARROYO CHANNELS, AND CASCAJO SOILS ON GRAVELLY TERRACE BREAKS. INCLUDED AREAS MAKE UP ABOUT 20 PERCENT OF THE TOTAL ACREAGE.

IN SOME PLACES ALONG THE SANTA FE COUNTY LINE ARE SOILS SIMILAR TO ZIA SOILS BUT ARE MORE SILTY AND MORE DEVELOPED.

PERMEABILITY OF THIS ZIA SOIL IS MODERATELY RAPID. AVAILABLE WATER CAPACITY IS HIGH. EFFECTIVE ROOTING DEPTH IS 60 INCHES OR MORE. RUNOFF IS SLOW, AND THE HAZARD OF WATER EROSION IS SLIGHT. THE HAZARD OF SOIL BLOWING IS MODERATE.

GRIETA-SHEPPARD LOAMY FINE SANDS

THIS MAP UNIT PREDOMINANTLY HAS SLOPES OF 2 TO 9 PERCENT. NATIVE VEGETATION IS MAINLY GRASSES WITH SCATTERED JUNIPER. THE AVERAGE ANNUAL PRECIPITATION IS 10

TO 12 INCHES, THE AVERAGE ANNUAL AIR TEMPERATURE IS 52 TO 54 DEGREES F, AND THE AVERAGE FROST-FREE PERIOD IS 120 TO 140 DAYS.

GRIETA SOILS MAKE UP 55 PERCENT OF THE MAP UNIT. THE RUNOFF CLASS IS LOW. THE DEPTH TO A RESTRICTIVE FEATURE IS GREATER THAN 60 INCHES. THIS SOIL IS WELL DRAINED. THE SLOWEST SOIL PERMEABILITY WITHIN A DEPTH OF 60 INCHES IS MODERATE. AVAILABLE WATER CAPACITY TO A DEPTH OF 60 INCHES IS MODERATE, AND SHRINK -SWELL POTENTIAL IS LOW. ANNUAL FLOODING IS NONE, AND ANNUAL PONDING IS NONE. THE MINIMUM DEPTH TO A WATER TABLE IS GREATER THAN 6 FEET. GRIETA SOILS ARE LOAMY FINE SAND FROM A DEPTH OF 0 TO 7 INCHES; SANDY CLAY LOAMS FROM A DEPTH OF 7 TO 21 INCHES; AND COARSE SANDY LOAMS FROM A DEPTH OF 21 TO 60 INCHES.

SHEPPARD SOILS MAKE UP 40 PERCENT OF THE MAP UNIT. THE RUNOFF CLASS IS LOW. THE DEPTH TO A RESTRICTIVE FEATURE IS GREATER THAN 60 INCHES. THIS SOIL IS SOMEWHAT EXCESSIVELY DRAINED. THE SLOWEST SOIL PERMEABILITY WITHIN A DEPTH OF 60 INCHES IS RAPID. AVAILABLE WATER CAPACITY TO A DEPTH OF 60 INCHES IS LOW, AND SHRINK-SWELL POTENTIAL IS LOW. ANNUAL FLOODING IS NONE, AND ANNUAL PONDING IS NONE. THE MINIMUM DEPTH TO A WATER TABLE IS GREATER THAN 6 FEET. SHEPPARD SOILS ARE LOAMY FINE SANDS FROM 0 TO 60 INCHES.

B. SOIL AND TOPOGRAPHIC LIMITATIONS AND PURCHASER'S DUTY TO CONSULT INDEPENDENTLY WITH GEOTECHNICAL ENGINEER

THE SUBDIVIDER (OR IN SOME CASES IF A PHASE HAS BEEN SOLD, THE PURCHASER OF SUCH PHASE) WILL BE REQUIRED TO CONSTRUCT AND INSTALL DITCHES AND DRAINAGE CONDUITS ALONG PUBLIC ROADS ADJACENT TO AND WITHIN SUCH PHASE. SUCH PERSON OR ENTITY MUST ADDRESS ANY SOIL AND/OR TOPOGRAPHIC ISSUES REGARDING THE PUBLIC ROADS IT CONSTRUCTS AND MUST MINIMIZE THE DISTURBANCE CAUSED BY SUCH ROADWAY CONSTRUCTION BY REPLANTING AROUND SUCH CONSTRUCTION WITH APPROPRIATE NATIVE PLANT OR SEED SPECIES, DIVERTING RUNOFF FROM ROADWAYS WITH BARRIERS OR DITCHES, AND MINIMIZING THE LENGTH AND STEEPNESS OF NEWLY CREATED SLOPES CAUSED BY ROADWAY CONSTRUCTION BY BENCHING, TERRACING OR CONSTRUCTION OF DIVERSION STRUCTURES, WHERE APPLICABLE.

HOWEVER, THE ABOVE DESCRIBED RESPONSIBILITY IS LIMITED TO DRAINAGE STRUCTURES AND PUBLIC ROADS INSTALLED BY THE SUBDIVIDER OR SUCH PHASE PURCHASER. WITH RESPECT TO CONSTRUCTION OF A HOUSE (OR OTHER BUILDING(S) IN THE CASE OF STRUCTURES BUILT ON MULTIFAMILY AND COMMERCIAL LOTS), THE SOILS DESCRIPTION SET FORTH IN THIS SECTION 25 IS ONLY A GENERAL DESCRIPTION OF THE SOILS PRESENT IN THE SUBDIVISION. THE TYPE OF SOIL AND THE SUITABILITY OF THE SOIL FOR CONSTRUCTION WILL VARY FROM PHASE TO PHASE AND LOT TO LOT.

WHETHER THE SOIL, OR A CERTAIN SITE ON A LOT, IS SUITABLE FOR THE DESIGN OR SIZE HOUSE THAT A PURCHASER WANTS TO BUILD (OR THE BUILDING(S) IN THE CASE OF MULTIFAMILY, COMMERCIAL AND LIGHT INDUSTRIAL LOTS) WILL DEPEND ON THE FOOTING AND FOUNDATION DESIGN AND PLANS USED FOR CONSTRUCTION. THE SUBDIVIDER MAKES NO WARRANTY OR REPRESENTATION THAT THE SOIL CHARACTERISTICS, AND ALL LOCATIONS ON EACH LOT OR PHASE, ARE SUITABLE FOR ALL HOUSE DESIGNS, SIZES, OR PLANS OR LIQUID WASTE DISPOSAL SYSTEMS OR DRAINAGE/DETENTION PLANS. NEITHER DOES THE SUBDIVIDER MAKE ANY WARRANTY OR REPRESENTATION REGARDING ANY SPECIFIC HOUSE DESIGN, SIZE OR PLAN. THE SUITABILITY OF THE SOILS AND THE CONSTRUCTION NEEDS BASED ON THE SOILS WILL VARY DEPENDING ON THE SPECIFIC LOT OR PHASE, LOCATION OF THE STRUCTURE OR DISPOSAL SYSTEM, AND DESIGN, SIZE OR PLAN. THE LOT OR PHASE OWNER BEARS ANY AND ALL RISK AND RESPONSIBILITY RESULTING FROM NOT CONSULTING GEOTECHNICAL AND CIVIL ENGINEERS AND HIS/HER LICENSED CONTRACTOR REGARDING THE SITING AND CONSTRUCTION NEEDS FOR BUILDINGS, ROADS AND INSTALLATION OF SEPTIC OR

DRAINAGE/DETENTION SYSTEMS ON A LOT. FROM TIME TO TIME, THE SUBDIVIDER MAY CONSTRUCT A BUILDING PAD OR A DRIVEWAY ON A LOT AS A SALES TOOL. SUCH A SITE PAD OR DRIVEWAY DOES NOT CONSTITUTE SITE PREPARATION OR FINAL GRADING THAT MAY BE NEEDED, AND NEITHER THE SUBDIVIDER NOR ITS AGENTS OR CONTRACTORS ARE RESPONSIBLE FOR SUCH SITE PAD IN ANY WAY, AND THE PURCHASER OF A LOT WITH SUCH A SITE PAD SHALL BEAR ANY AND ALL RISK AND RESPONSIBILITY ASSOCIATED WITH THE SOIL ON SAID LOT. THE OWNER SHOULD CONSULT WITH A GEOTECHNICAL AND/OR CIVIL ENGINEER AND HIS/HER LICENSED CONTRACTOR REGARDING THE SITE PAD AND DRIVEWAY AND ANY TESTING OR FURTHER COMPACTION OR REMEDIATION THAT MAY BE REQUIRED TO PROVE SUITABILITY FOR CONSTRUCTION OF IMPROVEMENTS.

C. LOT OWNERS/MITIGATION OF POST DEVELOPMENT DRAINAGE

LOT OWNERS ARE REQUIRED TO CONSTRUCT ON-SITE DETENTION AREAS TO INTERCEPT AND CONTAIN ALL RUNOFF FROM DEVELOPED IMPERMEABLE SURFACES OR, WHERE SOILS AND SLOPE PERMIT, ALTERNATIVELY, USE WATER HARVESTING SWALES TO HARVEST RUN-OFF WATER TO APPLY BENEFICIAL WATER TO VEGETATION OR GARDENS. IF USED INSTEAD OF ON-SITE DETENTION, SWALES MUST BE INCLUDED IN THE INITIAL DESIGN CONCEPT FOR SITE DEVELOPMENT AND TERRAIN MANAGEMENT. PURCHASER SHOULD CONSULT A REGISTERED CIVIL ENGINEER REGARDING THE SIZE AND LOCATION OF DETENTION AREAS AND WATER HARVESTING SWALES AS WELL AS CONSULT THE PAMPHLET "RAINWATER HARVESTING, SUPPLY FROM THE SKY" FROM THE CITY OF ALBUQUERQUE.

LOT OWNERS WILL BE RESPONSIBLE FOR IMPLEMENTING MEASURES NECESSARY TO OVERCOME ANY SOIL AND/OR TOPOGRAPHIC LIMITATIONS ON THEIR LOTS ASSOCIATED WITH CONSTRUCTION OF A BUILDING PAD, VEHICULAR ENTRANCES, ACCESS DRIVES AND SEPTIC TANK ABSORPTION FIELDS FOR THEIR LOTS.

AS INDICATED ABOVE, THE "TERRAIN MANAGEMENT" PLANS AND SOILS MAP ILLUSTRATES THE GENERAL DESCRIPTION OF THE SOILS PRESENT IN PETROGLYPH TRAILS, AND THE SUITABILITY OF THE SOILS FOR CONSTRUCTION NEEDS. THE SOILS WILL VARY DEPENDING ON THE SPECIFIC PHASE AND LOT, AND IN SOME INSTANCES A PARTICULAR LOT MAY HAVE MULTIPLE SOIL TYPES. PURCHASER SHOULD CONSULT GEOTECHNICAL AND CIVIL ENGINEERS AND HIS/HER LICENSED CONTRACTOR REGARDING THE SITING AND CONSTRUCTION NEEDS FOR BUILDINGS AND ROADS AND FOR INSTALLATION OF SEPTIC SYSTEMS WITH RESPECT TO HIS/HER PHASE AND/OR LOT.

D. DRAINAGE EASEMENTS AND FLOOD PLAIN

THE 2008 PRELIMINARY PLAT OF THE PETROGLYPH TRAILS SUBDIVISION WAS PREPARED BY ALPHA PROFESSIONAL SURVEYING INC. (EXHIBIT A(2)). THE PHASING PLAN WAS ALSO PREPARED BY ALPHA PROFESSIONAL SURVEYING INC. AND DEPICTS ANTICIPATED DEVELOPMENT OF PETROGLYPH TRAILS IN THIRTEEN (13) PHASES (EXHIBIT A(1)).

THERE ARE DRAINAGE EASEMENTS DEPICTED ON THE 2008 PRELIMINARY PLAT (MISLABELED "FINAL PLAT") AND ON THE PHASING PLAN OF PETROGLYPH TRAILS, ALTHOUGH DUE TO SOME LOT NUMBERING, AND OTHER CHANGES, THE ANTICIPATED LOT DESIGNATIONS SET FORTH IN THE PHASING PLAN ARE REFERRED TO HEREIN. IF THE LOTS DEPICTED IN THE PHASING PLAN ARE RETAINED "AS IS" UPON THE FINAL PLAT OF EACH PHASE, THESE EASEMENTS WILL BE LOCATED ON THE FOLLOWING LOTS: PHASE 3, LOTS 20 AND 22; PHASE 4, LOTS 21, 32, 33, 34 AND 35; PHASE 9, LOTS 75, 76, 77, 79, 80, 83, 116 AND 117; PHASE 10, LOTS 26, 113, 118 AND 119; PHASE 11, LOTS 11 AND 12; PHASE 12, LOTS 120, 127, 138 AND 140 AND PHASE 13, LOTS 128, 135 AND 139.

IF THE LOTS DEPICTED IN THE PHASING PLAN ARE RETAINED "AS IS" UPON THE FINAL PLAT OF EACH PHASE, PORTIONS OF LOTS 7, 13, 14 AND 16 IN PHASE 2, LOTS 18 AND 20 IN PHASE 3

AND LOTS 21, 23 AND 25 IN PHASE 4 WILL BE LOCATED WITHIN THE 100 YEAR FLOOD PLAIN. NO HOUSE CONSTRUCTION CAN TAKE PLACE WITHIN THE 100 YEAR FLOOD PLAIN. SEE EXHIBIT I AND EXHIBIT A(1). EACH OF THESE LOTS HAS A BUILDING ENVELOPE OUTSIDE OF THE 100 YEAR FLOOD PLAIN FOR HOME CONSTRUCTION.

NO HOMES OR ANY OTHER PERMANENT STRUCTURES, ASIDE FROM DRIVEWAYS APPROVED BY THE ARCHITECTURAL CONTROL COMMITTEE, WILL BE PERMITTED WITHIN THE 100 YEAR FLOOD ZONE AS DEPICTED ON THE FINAL PLAT OF EACH PHASE WITHIN PETROGLYPH TRAILS.

SEE EXHIBIT I.

E. EXCESSIVE SLOPE

LEACH FIELDS MUST BE CONSTRUCTED IN AREAS WHERE THE SLOPE IS LESS THAN 8%. CONSEQUENTLY, DEVELOPMENT OF MOST LOTS WILL NECESSITATE GRADING TO ALLOW FOR LEACH FIELDS TO BE CONSTRUCTED IN AREAS WITH A SLOPE OF GREATER THAN 8%. LEACH FIELDS SHOULD BE DESIGNED AND CONSTRUCTED PARALLEL TO THE CONTOUR LINES OF THE LOT.

ADDITIONALLY, IF THE LOTS DEPICTED IN THE PHASING PLAN ARE RETAINED "AS IS" UPON THE FINAL PLAT OF EACH PHASE THE FOLLOWING LOTS, AS SHOWN ON THE PHASING PLAN, WILL HAVE A SIGNIFICANT PORTION OF THE LOT WITH SLOPES OF 25% OR GREATER: PHASE 1-A LOT 8; PHASE 2 LOTS 2, 5 -7, 9-11, 13, 14 AND 16; PHASE 3 LOTS 18, 20, 22, 40-43; PHASE 5 LOTS 21, 23, 25, 27, 31-35; PHASE 6 LOTS 62-68; PHASE 7 LOTS 69-74; PHASE 8 LOTS 105-108; PHASE 9 LOTS 75 -87, 116 AND 117; PHASE 10 LOTS 26, 109-113, 118 AND 119; PHASE 11 LOTS 12, 15 AND 17, PHASE 12 LOTS 120-124, 138 AND 140; AND PHASE 13 LOTS 136 AND 137. ADDITIONAL CONSIDERATION MUST BE GIVEN TO THE SLOPE OF THESE LOTS WHEN DESIGNING THE REQUIRED DETAILED DEVELOPMENT PLAN AND PLANNING FOR LEACH FIELD AND SEPTIC TANK (LIQUID WASTE DISPOSAL SYSTEM). ALTHOUGH THE LAND PLANNING PROCESS HAS ANTICIPATED THE NEED FOR USABLE LAND ON EACH LOT FOR THE PURPOSES OF STRUCTURE AND SEPTIC SITING, THE SUBDIVIDER DOES NOT MAKE ANY WARRANTY OR REPRESENTATION THAT ALL LOCATIONS ON THE LOT ARE SUITABLE FOR ALL BUILDING (OR SEPTIC) DESIGNS OR SIZES OR PLANS. NO CONSTRUCTION MAY OCCUR ON SLOPES GREATER THAN 25%. (PLEASE REFER TO ATTACHED EXHIBIT I). AS STATED IN SECTION 25(B) IN THIS DISCLOSURE STATEMENT, THE LOT OWNER BEARS ANY AND ALL RISK AND RESPONSIBILITY RESULTING FROM NOT CONSULTING GEOTECHNICAL AND CIVIL ENGINEERS AND HIS/HER LICENSED CONTRACTOR REGARDING THE SITING AND CONSTRUCTION NEEDS FOR BUILDINGS, ROADS AND INSTALLATION OF SEPTIC SYSTEMS ON THE LOT.

F. SURFACE DRAINAGE

EACH LOT OWNER MUST PROVIDE ON-SITE DETENTION AREAS FOR INTERCEPTION AND CONTAINMENT OF ALL RUNOFF FROM POST-DEVELOPMENT IMPERMEABLE SURFACES (ESTIMATED AT APPROXIMATELY 1200 CUBIC FEET PER RESIDENTIAL LOT). COMMERCIAL, LIGHT INDUSTRIAL AND MULTI-FAMILY STRUCTURES WILL REQUIRE THEIR OWN HYDRAULIC ANALYSIS, STAMPED BY A LICENSED ENGINEER, FOR ON-SITE PONDING. SEDIMENT LADEN RUNOFF MUST BE TRAPPED IN DETENTION AREAS TO ALLOW SOIL PARTICLES TO SETTLE OUT BEFORE FLOWS ARE RELEASED TO THE ARROYOS. A STORM WATER POLLUTION PREVENTION PLAN (SWPPP) WILL BE REQUIRED TO BE SUBMITTED AS PART OF THE ACC APPROVAL PROCESS.

G. SUBSURFACE DRAINAGE, STORM DRAINAGE SYSTEMS, AND PURCHASER'S DUTIES REGARDING EROSION CONTROL

SEE SECTION F SURFACE DRAINAGE, ABOVE.

INDIVIDUAL LOT STORM DRAINAGE SYSTEMS SHALL CONSIST OF DRAINAGE CULVERTS UNDER DRIVEWAYS, WHERE NECESSARY, AND STORM WATER DETENTION AREAS ON EACH LOT.

- AN EFFORT SHALL BE MADE TO MINIMIZE DISTURBANCE OF NATIVE VEGETATION DURING INDIVIDUAL LOT DEVELOPMENT. THE LENGTH AND STEEPNESS OF NEWLY CREATED SLOPES SHALL BE MINIMIZED BY BENCHING, TERRACING OR CONSTRUCTION OF DIVERSION OR DETENTION STRUCTURES ON LOTS.
- AREAS OF DISTURBANCE SHALL BE RE-VEGETATED WITH APPROPRIATE NATIVE PLANT SPECIES OR SEEDING.
- ENTRANCES TO INDIVIDUAL LOTS SHALL BE SLIGHTLY ELEVATED TO PREVENT ENTRY OF OFF-SITE RUNOFF FROM ROADWAYS.
- DRAINAGE DITCHES, SILTING BASINS, AND DOWN DRAINS SHALL BE DESIGNED TO INTERCEPT AND CONVEY RUNOFF FROM "POST DEVELOPMENT" IMPERMEABLE SURFACES TO AN ON-SITE DETENTION AREA. SEVERAL SMALL DETENTION AREAS MAY BE CONSTRUCTED IN LIEU OF ONE LARGER DETENTION AREA.
- DETENTION PONDS SHALL HAVE A MINIMUM CAPACITY OF 663 CUBIC FEET ASSUMING A TOTAL IMPERVIOUS AREA OF 3,000 SQUARE FEET. IF THERE IS A TOTAL IMPERVIOUS AREA LESSER OR GREATER THAN 3,000 SQUARE FEET, THEN THE CAPACITY SHALL BE DETERMINED BY A REGISTERED CIVIL ENGINEER. POND DEPTHS SHALL NOT EXCEED 2 FEET. EACH DETENTION POND SHALL HAVE EMERGENCY SPILLWAYS.
- DETENTION PONDS SHALL HAVE A MINIMUM OFFSET OF 10 FEET FROM ANY FOUNDATION FOOTING. DETENTION PONDS SHALL HAVE A MINIMUM OFFSET OF 25 FEET FROM ANY ON-SITE LIQUID WASTE DISPOSAL SYSTEM.
- THE LETTER FROM THE CORONADO SOIL & WATER CONSERVATION DISTRICT CITES ADDITIONAL RECOMMENDATIONS THAT RELATE TO DRAINAGE, THE BENEFICIAL USE OF RUNOFF AND EROSION CONTROL (EXHIBIT J ATTACHED). THE ACC, THE SUBDIVIDER, IF APPLICABLE, AND PHASE AND LOT OWNER WILL REFER TO THESE RECOMMENDATIONS AT THE TIME OF EACH LOT'S DEVELOPMENT SUBMITTAL.
- DETENTION POND SLOPES SHALL BE STABILIZED WITH NATIVE GRASSES OR ROCK OVER LANDSCAPE FABRIC. DRAINAGE DITCHES, SILTING BASINS, DOWN DRAINS, DETENTION PONDS, AND EMERGENCY SPILLWAYS SHALL BE INSPECTED BY THE LOT OWNER FROM TIME TO TIME AS NEEDED, AND MAINTAINED IN GOOD WORKING ORDER AT ALL TIMES BY THE LOT OWNER. ALL AREAS OF SOIL EROSION SHALL BE REPAIRED. SEDIMENT AND DEBRIS SHALL BE REMOVED FROM THE DETENTION POND INVERT. ANY SPILLWAY BLOCKAGES SHALL BE REMOVED.

GUIDELINES FOR STORM DETENTION AREAS ARE ATTACHED AS EXHIBIT K HERETO.

THE SUBDIVIDER HAS ALREADY INSTALLED PETROGLYPH TRAILS ROAD AND HAS OR WILL INSTALL PUEBLO BONITA ROAD AND NORTE TRAILS. SALES OF PHASES TO DEVELOPERS MAY INCLUDE NEGOTIATION OVER REIMBURSEMENT OF THE COST OR ALL OF SOME PORTION OF SUCH ROADS.

THE SUBDIVIDER, OR THE PURCHASER OF A PHASE(S) TO THE EXTENT PHASES ARE SOLD, WILL BE RESPONSIBLE FOR INSTALLING THE SUBDIVISION ROADWAYS WITHIN THE

SUBJECT PHASE(S). THIS WILL INCLUDE THE INSTALLATION OF THE CULVERTS UNDER THE ROADWAYS AND DRAINAGE STRUCTURES AS DESIGNED BY RESOURCE TECHNOLOGY, INC.

LOT OWNERS SHALL BE REQUIRED TO CONSTRUCT CULVERTS AT DRIVEWAY INTERSECTIONS AND SHALL BE REQUIRED TO MAINTAIN INDIVIDUAL DETENTION BASINS ON THEIR LOTS.

PUBLIC ROADS WILL BE INSTALLED BY TRAILS INVESTORS, LLC OR BY THE PURCHASER OF A PHASE(S), AND SHALL BE MAINTAINED BY THE ENTITY THAT INSTALLS THEM FOR THE FIRST YEAR AFTER THEIR CONSTRUCTION, SO LONG AS THEY HAVE BEEN CONSTRUCTED TO MEET COUNTY STANDARDS. THEREAFTER, PROVIDED THEY MEET COUNTY STANDARDS, THE PROPERTY OWNERS' ASSOCIATION WILL TAKE OVER THE MAINTENANCE THEREOF UNTIL SUCH TIME, IF ANY, THAT RESPONSIBILITY THEREFORE IS ASSUMED BY THE COUNTY. IN THE CASE OF PETROGLYPH TRAILS ROAD, IT IS POSSIBLE THAT THE COUNTY WILL REQUIRE THAT CERTAIN ADDITIONAL WORK, SUCH AS ARMORING THE SIDES OF THE ROAD, TO BE COMPLETED BEFORE THE COUNTY WILL ACCEPT THE ROAD FOR MAINTENANCE. IF SUCH ARMORING OR OTHER WORK IS REQUIRED, THE COST THEREOF COULD BE IN THE RANGE OF \$250,000 AND WOULD BE BORNE BY THE PROPERTY OWNERS' ASSOCIATION, NOT BY TRAILS INVESTORS, LLC. IT IS ANTICIPATED THAT ROAD MAINTENANCE GENERALLY OVER THE FIRST TEN YEARS, IF PAID FOR BY THE PROPERTY OWNERS' ASSOCIATION, WOULD OTHERWISE COST IN THE \$5,000 TO \$10,000 RANGE PER YEAR.

H. STORM WATER POLLUTION PREVENTION PLAN REQUIRED BY ENVIRONMENTAL PROTECTION AGENCY

PETROGLYPH TRAILS ENDEAVORS TO BE A NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) COMPLIANT DEVELOPMENT, WHICH PROMOTES COMPLIANCE TO THE CLEAN WATER ACT AND ADHERES TO THOSE PRACTICES, REQUIREMENTS AND STANDARDS THROUGH THE NPDES.

IT IS THE SUBDIVIDER'S MISSION AND GOAL THAT ALL OF THE PETROGLYPH TRAILS SUBDIVISION MEET NPDES REQUIREMENTS THROUGH THE IMPLEMENTATION OF A STORM WATER POLLUTION PREVENTION PLAN (SWPPP) AND BEST MANAGEMENT PRACTICES (BMP) THAT ARE SUITED TO MEET OR EXCEED THE REQUIREMENTS OF THE CLEAN WATER ACT (CWA) NPDES PROVISIONS.

THE FUNCTION OF THE NPDES REQUIREMENTS SPECIFIC TO THIS SUBDIVISION IS TO ENCOMPASS AND ADDRESS CONSTRUCTION ACTIVITY OF ROAD/STREETS AND SUPPORTING INFRASTRUCTURE FOR SUBDIVISION DEVELOPMENT (NOT TO INCLUDE SPECIFIC LOT DEVELOPMENT) IN ORDER TO PREVENT POTENTIAL IMPACTS FROM STORM WATER RUNOFF.

THE SWPPP HAS BEEN DEVELOPED TO MEET THE REQUIREMENTS OF THE CLEAN WATER ACT (CWA), ENVIRONMENTAL PROTECTION AGENCY'S (EPA), SECTION 402, NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PROGRAM FOR STORM WATER DISCHARGE ASSOCIATED WITH CONSTRUCTION ACTIVITY. THE SWPPP WAS PREPARED FOR PETROGLYPH TRAILS AND IS SPECIFIC IN CONTENT FOR STORM WATER DISCHARGES AND RUNOFF FOR ROADS AND STREETS ONLY.

THE DEVELOPMENT IS SUBJECT TO THE REQUIREMENTS OF EPA REGION VI GENERAL PERMIT *NMR150000*, WHICH REQUIRES THAT ANY SITE DISTURBANCE ON ONE ACRE OR MORE, OR ANY DISTURBANCE WITHIN A ONE-ACRE OR LARGER PLAN, DEVELOPMENT OR CONCEPT, BE PERMITTED FOR SUCH DISTURBANCES. THE SUBDIVIDER, OR PHASE OWNER, IF A PHASE HAS BEEN SOLD, WILL BE REQUIRED TO UTILIZE AN NPDES PERMIT FROM THE EPA AND WILL BE REQUIRED TO IMPLEMENT A SWPPP AND BMP DURING CONSTRUCTION ACTIVITIES TO PREVENT AND REDUCE POLLUTANTS FROM CONSTRUCTION SITE RUN-OFF, DUE TO ACTIVITIES PERFORMED BY IT. THE SWPPP BMP INCLUDE TEMPORARY AND PERMANENT MEASURES TO PREVENT AND REDUCE POLLUTANTS FROM LEAVING THE SUBDIVISION. THE

EROSION AND SEDIMENT CONTROL MEASURES IDENTIFIED IN THE SWPPP WILL BE OBSERVED BY THE SUBDIVIDER, OR PHASE OWNER, TO ENSURE MEASURES ARE EFFECTIVE IN PREVENTING IMPACTS TO THE RECEIVING WATERSHED, WHICH INCLUDES THE DUE DILIGENCE OF DISCLOSURE TO POTENTIAL LOT PURCHASERS WITHIN THIS SUBDIVISION AND THE REQUIREMENT OF THE EPA.

THE SWPPP ORIGINATED FOR PETROGLYPH TRAILS DEVELOPMENT BY THE SUBDIVIDER DOES NOT ENCOMPASS SITE-SPECIFIC LOT GRADING DISTURBANCES EITHER INDIVIDUALLY OR ENJOINED AND DOES NOT ADDRESS SITE-SPECIFIC LOT IMPROVEMENTS FOR VERTICAL CONSTRUCTION ON SUCH BUILDING ENVELOPE AREAS, WHICH ARE DISTURBED BY OTHERS AND ARE THE RESPONSIBILITY OF THE OWNERS OF INDIVIDUAL LOTS. HOWEVER THE SWPPP DOES ADDRESS THE CWA COMPLIANCE REQUIREMENTS THAT STATE IN PART THAT AREAS WHICH ARE PART OF A LARGER CONCEPT ARE MANDATED TO PERMITTING AND COMPLIANCE.

IN CONNECTION WITH THE INSTALLATION OF ROADS AND UTILITIES, TRAILS INVESTORS, LLC, OR THE PURCHASER OF A PHASE WHO IS INSTALLING THE SAME, WILL BE REQUIRED TO DISTURB THE SMALLEST AMOUNT OF NATIVE VEGETATION AS POSSIBLE AND WILL BE REQUIRED TO REVEGETATE DISTURBED AREAS. THEY WILL ALSO BE REQUIRED TO INSTALL NATIVE AND LOW WATER PLANTS ALONG ROADWAYS AND PATHWAYS, WHICH PLANTS WILL BE WATERED AND OTHERWISE MAINTAINED BY THE PROPERTY OWNERS' ASSOCIATION. SEE EXHIBIT L.

FURTHER ALL LOT OWNERS/CONTRACTORS ARE REQUIRED UNDER THE NPDES REQUIREMENTS TO ASSESS THE POSSIBLE LOT GRADING DISTURBANCE LIKELY FROM THEIR INTENDED CONSTRUCTION AND TO OBTAIN AN APPROPRIATE EPA PERMIT BEFORE BEGINNING ANY CONSTRUCTION ACTIVITIES. FURTHER, ALL LOT OWNERS/CONTRACTORS MUST IMPLEMENT A SWPPP OUTLINING BMP THAT WILL PREVENT STORM WATER RUNOFF TO MINIMIZE POSSIBLE POLLUTION IMPACTS.

THE LOT PURCHASER, AND EACH PHASE PURCHASER, ACKNOWLEDGES THIS DISCLOSURE OF EPA/CWA COMPLIANCE REQUIREMENTS, AND WILL BE RESPONSIBLE FOR ANY PERMITTING AND REPORTING ON THE INDIVIDUAL LOT OR PHASE WHICH HAS BEEN CONVEYED TO HIM/HER OR IS UNDER HIS/HER CONTROL.

26. CORONADO SOIL & WATER CONSERVATION DISTRICT'S OPINION ON TERRAIN MANAGEMENT

SEE EXHIBIT J.

27. SUBDIVISION ACCESS

THE TOWN OF BERNALILLO IS LOCATED ADJACENT TO THE BOUNDARY OF PETROGLYPH TRAILS. ACCESS FROM THE TOWN OF BERNALILLO TO THE SUBDIVISION IS BY MEANS OF THE NORTHBOUND I-25 FRONTAGE ROAD TO PETROGLYPH TRAIL. THE SUBDIVISION WILL ALSO BE ACCESSIBLE FROM NEW MEXICO 165 TO TRAILS ROAD EAST TO ANASAZI TRAILS ROAD TO ANASAZI TRAILS LOOP TO PETROGLYPH TRAIL, WHICH WILL CONNECT TO THE I-25 FRONTAGE ROAD. THERE WILL ALSO BE A CONNECTION AT NORTE TRAIL, HOWEVER SUCH CONNECTION WILL BE AN EMERGENCY ACCESS OR CRASH GATE ONLY, WHICH IS ONLY TO BE USED BY LAW ENFORCEMENT AND FIRE/EMS PERSONNEL. ONLY AUTHORIZED LAW ENFORCEMENT AND FIRE/EMS PERSONNEL SHALL HAVE A KEY OR COMBINATION CODE TO SAID GATE. THIS ROAD SHALL NEVER BE AVAILABLE TO THE PUBLIC FOR EQUESTRIAN OR VEHICULAR TRAFFIC OF ANY FORM. THE PAVED ROAD SURFACES WITHIN THE SUBDIVISION WILL ALLOW ACCESS TO THE SUBDIVISION BY CONVENTIONAL VEHICLE, AND THE SUBDIVISION WILL GENERALLY BE ACCESSIBLE IN ALL SEASONS AND UNDER ALL WEATHER CONDITIONS. DURING SEVERE WINTER STORMS, FOUR-WHEEL DRIVE VEHICLES MAY BE DESIRABLE. SOME ROADS WITHIN THE SUBDIVISION WILL BE CONSTRUCTED AFTER THE

RECORDING OF THIS DISCLOSURE STATEMENT. PURCHASERS SHOULD CHECK WITH TRAILS INVESTORS, LLC, OR THE OWNER OF THE PHASE WITHIN WHICH HIS OR HER LOT IS LOCATED IF IT IS NOT THE SUBDIVIDER, FOR THE ESTIMATED COMPLETION DATE FOR THE SUBDIVISION ROADS IF THE ROADS ARE NOT COMPLETED BY THE TIME OF PURCHASER'S CLOSING.

28. **MAINTENANCE**

A. **ROADS AND DRAINAGE FACILITIES**

PUBLIC ROADS AND THE DRAINAGE FACILITIES ASSOCIATED THEREWITH WILL BE INSTALLED BY TRAILS INVESTORS, LLC, OR BY THE PURCHASER OF A PHASE(S), SUBJECT TO NEGOTIATION BETWEEN SAID PARTIES. PUBLIC ROADS AND THE DRAINAGE FACILITIES ASSOCIATED THEREWITH SHALL BE MAINTAINED BY THE ENTITY THAT INSTALLS THEM FOR THE FIRST YEAR AFTER THEIR INSTALLATION, PROVIDED THEY ARE INSTALLED TO COUNTY STANDARDS.

THEREAFTER, PROVIDED THE ROAD(S) HAVE BEEN INSTALLED TO COUNTY STANDARDS, THE PROPERTY OWNERS' ASSOCIATION WILL BE RESPONSIBLE FOR MAINTAINING SAID ROADS AND DRAINAGE FACILITIES UNTIL SUCH TIME, IF ANY, THAT RESPONSIBILITY THEREFORE IS ASSUMED BY THE COUNTY. IN THE CASE OF PETROGLYPH TRAILS ROAD, IT IS POSSIBLE THAT THE COUNTY WILL REQUIRE THAT CERTAIN ADDITIONAL WORK, SUCH AS ARMORING THE SIDES OF THE ROAD, BE COMPLETED BEFORE THE COUNTY WILL ACCEPT THE ROAD FOR MAINTENANCE. IF SUCH ARMORING OR OTHER WORK IS REQUIRED, THE COST THEREOF COULD BE IN THE RANGE OF \$250,000 AND WOULD BE BORNE BY THE PROPERTY OWNERS' ASSOCIATION, NOT BY TRAILS INVESTORS, LLC. A GOOD FAITH ESTIMATE OF THE COST OF ROAD AND DRAINAGE FACILITY MAINTENANCE FOR THE FIRST YEAR IS IN THE \$5,000 TO \$10,000 RANGE. THE PROPERTY OWNERS' ASSOCIATION SHALL ALSO WATER AND OTHERWISE MAINTAIN THE NATIVE AND LOW WATER PLANTS PLANTED BY THE SUBDIVIDER, OR A PHASE PURCHASER, ALONG THE ROADS AND PATHWAYS.

B. **OFF- LOT MAINTENANCE**

EACH LOT OWNER IS RESPONSIBLE FOR PAYMENT OF ASSESSMENTS LEVIED BY THE PROPERTY OWNERS' ASSOCIATION FOR ALL MAINTENANCE AND CONSTRUCTION WHICH IS THE OBLIGATION OF THE ASSOCIATION. EACH LOT OWNER IS ALSO RESPONSIBLE FOR PAYMENT OF ASSESSMENTS LEVIED BY THE WATER COOPERATIVE, TO THE EXTENT THEIR LOT IS SERVED BY THE WATER COOPERATIVE. LOT OWNERS WHO ARE SUBJECT TO MAINTENANCE OBLIGATIONS FOR PRIVATE ACCESS AND PUBLIC UTILITY EASEMENTS SHOWN ON THE APPLICABLE FINAL PLAT SHOULD REFER TO THE CCRs FOR DETAILS REGARDING SUCH OBLIGATIONS. GENERALLY, LOT OWNERS THROUGH WHOSE LOTS SUCH EASEMENTS RUN HAVE JOINT RESPONSIBILITY FOR THE FULL LENGTH OF THE PRIVATE ACCESS AND UTILITY EASEMENT.

EACH PURCHASER, WHETHER OF A LOT OR PHASE, SHOULD REVIEW THE CCRs AND THE BY-LAWS OF THE PROPERTY OWNERS' ASSOCIATION REGARDING ASSESSMENTS BY THE PROPERTY OWNERS' ASSOCIATION AND THE BY-LAWS OF THE WATER COOPERATIVE REGARDING ASSESSMENTS BY THE COOPERATIVE.

C. **ON-LOT MAINTENANCE**

INDIVIDUAL LOT OWNERS ARE REQUIRED TO PROVIDE A LOT DRAINAGE PLAN TO THE COUNTY (OR TO THE TOWN OF BERNALILLO IF THE LOT HAS BEEN ANNEXED INTO THE TOWN) FOR THEIR LOT AT THE TIME A BUILDING PERMIT IS REQUESTED. HOWEVER, PRIOR TO SUBMITTAL TO THE COUNTY, THE ACC MUST HAVE FIRST REVIEWED AND APPROVED THE DRAINAGE PLAN. ALL DRAINAGE PLANS MUST INCLUDE MEASURES TO CONTROL AND MITIGATE RUNOFF WITHIN THE SUBDIVISION CAUSED BY ANY PROPOSED STRUCTURE OR

IMPROVEMENT SO THAT RUNOFF DOES NOT EXCEED HISTORICAL FLOW THROUGH THE SUBDIVISION. DEPENDING ON THE PARTICULAR LOT, AND THE DRIVEWAY, SOIL AND IMPROVEMENTS OR STRUCTURES PROPOSED, A LOT OWNER MAY NEED THE FOLLOWING: (1) HOLDING PONDS, (2) WALLED COURTYARD AREAS, (3) DRY WELLS, AND/OR (4) SUCH OTHER IMPROVEMENTS AS MAY BE NECESSARY TO CONTROL AND MITIGATE THE EFFECT OF POTENTIAL INCREASED RUNOFF WITHIN EACH LOT. EACH OWNER OF A LOT OR LOTS ON WHICH THERE ARE SUCH IMPROVEMENTS WILL BE RESPONSIBLE FOR MAINTAINING THESE IMPROVEMENTS. THE LOT OWNER, NOT THE ACC OR THE SUBDIVIDER, SHALL BE RESPONSIBLE FOR THE PROPER ENGINEERING OF THESE IMPROVEMENTS AND NEITHER THE ACC, THE ASSOCIATION OR THE SUBDIVIDER SHALL BE LIABLE TO ANY OWNER OR ANY OTHER PERSON, ASSOCIATION OR ENTITY, FOR ANY DAMAGE, LOSS OR PREJUDICE SUFFERED OR CLAIMED ON ACCOUNT OF THE APPROVAL OR DISAPPROVAL OF ANY LOT DRAINAGE PLAN.

EACH LOT OWNER SHALL, PRIOR TO REQUESTING A BUILDING PERMIT, PRESENT TO THE APPLICABLE GOVERNING BODY A LOT DRAINAGE PLAN THAT HAS BEEN REVIEWED AND APPROVED BY THE ACC. FAILURE TO SUBMIT AN ACC-APPROVED DRAINAGE PLAN WILL BE GROUNDS FOR DENIAL OF A BUILDING PERMIT.

SANDOVAL COUNTY OR, IF APPLICABLE, THE TOWN OF BERNALILLO SHALL, AMONG OTHER THINGS, CONFIRM (A) THE EXISTENCE OF A LOT DRAINAGE PLAN AND (B) THAT THE ARCHITECTURAL CONTROL COMMITTEE HAS REVIEWED AND APPROVED THE PLAN. NEITHER THE ACC, SANDOVAL COUNTY NOR THE TOWN OF BERNALILLO WILL MAKE ANY INDEPENDENT DETERMINATION AS TO THE ADEQUACY OF A LOT DRAINAGE PLAN AND NONE OF THEM SHALL BE HELD TO HAVE ANY OBLIGATION TO MAKE A DETERMINATION AS TO THE ADEQUACY OF A LOT DRAINAGE PLAN, SUCH DETERMINATION BE MADE BY THE LOT OWNER'S ENGINEER.

NEITHER THE FAILURE OF AN OWNER TO PRESENT A LOT DRAINAGE PLAN TO THE ACC AND/OR SANDOVAL COUNTY AND/OR THE TOWN OF BERNALILLO, NOR THE FAILURE OF THE COUNTY, THE ACC AND/OR THE TOWN OF BERNALILLO TO REQUEST AND/OR CONFIRM THE EXISTENCE OF AN APPROVED LOT DRAINAGE PLAN SHALL BE A BASIS FOR LIABILITY ON THE PART OF THE ACC, SANDOVAL COUNTY OR THE TOWN OF BERNALILLO OR ANY PERSON OR ENTITY OTHER THAN THE LOT OWNER AND HIS OR HER ENGINEER.

AS PART OF THE BUILDING PERMIT PROCESS, THE LOT OWNER SHALL SIGN A HOLD HARMLESS INDEMNIFICATION AGREEMENT PROVIDED HEREIN AS EXHIBIT M. NEITHER THE SUBDIVIDER, SANDOVAL COUNTY, TOWN OF BERNALILLO, THE ACC NOR THE PROPERTY OWNERS' ASSOCIATION OR ANY MEMBER THEREOF, SHALL BE LIABLE TO ANY OWNER, OR ANY OTHER PERSON, ASSOCIATION OR ENTITY, FOR ANY DAMAGE, LOSS OR PREJUDICE SUFFERED OR CLAIMED ON ACCOUNT OF THE APPROVAL OR DISAPPROVAL OF ANY DEVELOPMENT OR DRAINAGE PLAN AND THE LOT OWNER SHALL HOLD HARMLESS AND INDEMNIFY SAID ENTITIES/PERSONS FROM SUCH CLAIMS.

THE LOT OWNER MUST ALSO ABIDE BY THE CCRs REGARDING MAINTENANCE AND CONSTRUCTION OF ANY AND ALL IMPROVEMENTS ON A LOT.

THE LOT OWNER IS RESPONSIBLE FOR ON-LOT CONSTRUCTION AND MAINTENANCE AND FOR ALL UTILITY LINE EXTENSIONS INSIDE THE LOT. IF THE LOT OWNER IS HIRING A GENERAL CONTRACTOR, HE/SHE SHOULD MAKE SURE THAT THE GENERAL CONTRACTOR IS INCLUDING THE EXTENSION OF UTILITIES IN HIS OR HER BID.

THE LOT OWNER MUST INSTALL AND MAINTAIN CULVERTS OR OTHER STRUCTURES APPROVED BY THE ACC WHERE PRIVATE DRIVEWAYS CROSS THE BAR DITCHES. EACH LOT OWNER WHOSE LOT IS ALONG ANY PUBLICALLY DEDICATED RIGHT-OF-WAY MUST AGREE TO THE CREATION OF AN EASEMENT TO MAINTAIN A CUT OR FILL SIDE SLOPE ON THE LOT

ALONG THE PUBLICALLY DEDICATED RIGHT-OF-WAY TO ENSURE THE PROPER MAINTENANCE AND DRAINAGE OF ROADS IN THE SUBDIVISION. EACH OWNER MUST AGREE TO PROVIDE EASEMENTS FOR DRAINAGE AND WATER FLOW AS CONTOURS OF THE LAND AND ARRANGEMENT OF IMPROVEMENTS REQUIRE. EACH OWNER MUST ALSO AGREE NOT TO DISTURB OR DISPLACE ANY TREES OR OTHER VEGETATION WITHIN THE DRAINAGE EASEMENTS.

29. **STATE HIGHWAY DEPARTMENT'S OPINION ON ACCESS**

SEE EXHIBIT N.

30. **DEPARTMENT OF CULTURAL AFFAIRS ARCHEOLOGICAL SITES**
SEE EXHIBIT O.

31. **CONSTRUCTION GUARANTEES**

THE SUBDIVIDER, OTHERWISE THE PURCHASERS OF PHASES, SHALL BE REQUIRED TO COMPLETE ALL PUBLIC IMPROVEMENTS IN THEIR PHASE OF DEVELOPMENT WITHIN TIME LIMITS REQUIRED BY THE COUNTY. IT IS ANTICIPATED THAT CONSTRUCTION GUARANTEES WILL BE REQUIRED BY SANDOVAL COUNTY AND PAID FOR BY THE SUBDIVIDER OR APPLICABLE PHASE OWNERS.

THE SUBDIVIDER, OTHERWISE THE PURCHASERS OF PHASES, SHALL BE REQUIRED TO RESEED AREAS DISTURBED BY THE CONSTRUCTION OF ROADS WITH A NATIVE SEED MIXTURE PER NEW MEXICO HIGHWAY DEPARTMENT SPECIFICATIONS.

32. **ADVERSE CONDITIONS**

A. **UTILITY EASEMENTS**

ALL LOTS ARE OR WILL BE SUBJECT TO UNDERGROUND PUBLIC UTILITY EASEMENTS AS SET FORTH IN THE FINAL PLAT FOR THE PHASE IN WHICH THEY ARE LOCATED.

IF THE LOTS DEPICTED IN THE PHASING PLAN ARE RETAINED "AS IS" UPON THE FINAL PLATTING OF EACH PHASE, LOTS 52, 53 54, 65 AND 66 IN PHASE 6, AND LOTS 100 AND 101 IN PHASE 8, AS SHOWN ON THE PHASING PLAN, WILL ALSO BE SUBJECT TO A FIFTY-FOOT WIDE EASEMENT TO PUBLIC SERVICE COMPANY OF NEW MEXICO FOR OVERHEAD, HIGH-TENSION, ELECTRICAL LINES. SEE PARAGRAPH 32(C) BELOW REGARDING POTENTIAL HEALTH HAZARDS.

B. **SHARED PRIVATE ACCESS AND ACCESS CONTROL EASEMENTS**

IF THE LOTS DEPICTED IN THE PHASING PLAN ARE RETAINED "AS IS" UPON THE FINAL PLATTING OF EACH PHASE, THE FOLLOWING EASEMENTS SHALL APPLY AND THE ROADS ON EACH OF THE EASEMENTS SHALL BE MAINTAINED BY THE OWNERS OF LOTS BENEFITTED THEREFROM. FURTHER, PRIOR TO THE CONVEYANCE OF THE FIRST LOT TO BE CONVEYED TO AN END USER WITH RESPECT TO EACH SUCH EASEMENT, A MAINTENANCE AGREEMENT WILL BE RECORDED AGAINST THE APPLICABLE LOTS:

LOTS 5 AND 6 IN PHASE 2 AND POSSIBLY LOTS 3 AND 4 IN PHASE 2, AS SHOWN ON THE PHASING PLAN, WILL BE BENEFITTED BY A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOTS 3 AND 4 IN PHASE 2.

LOT 21 IN PHASE 4, AND POSSIBLY LOT 22 IN PHASE 3 AND LOT 24 IN PHASE 5, AS SHOWN ON THE PHASING PLAN, WILL BE BENEFITTED BY A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 24 IN PHASE 5. THE ROAD ON THIS EASEMENT SHALL BE MAINTAINED BY THE OWNER OF LOT 21 IN PHASE 4.

LOTS 23 AND 25 IN PHASE 4, AND POSSIBLY LOTS 24 AND 28 IN PHASE 5, AS SHOWN ON THE PHASING PLAN, WILL BE BENEFITTED BY A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 25 IN PHASE 4 AND LOT 28 IN PHASE 5.

LOTS 75, 76 AND 77 IN PHASE 9, AS SHOWN ON THE PHASING PLAN, WILL SHARE A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOTS 75 AND 76 IN PHASE 9.

LOTS 19, 26 AND 118 IN PHASE 10, AS SHOWN ON THE PHASING PLAN, WILL SHARE A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 118 IN PHASE 10.

LOTS 15 AND 17 IN PHASE 11 AND LOT 81 IN PHASE 9, AS SHOWN ON THE PHASING PLAN, WILL SHARE A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 15 IN PHASE 11.

LOTS 18, 20, 40 AND 41 IN PHASE 3, AS SHOWN ON THE PHASING PLAN, WILL SHARE A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 40 IN PHASE 3.

THE ACCESS TO THE TRACT WHICH IS DESIGNATED AS OPEN SPACE IS VIA A THIRTY-FOOT WIDE PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT ON LOT 52 IN PHASE 6. THE ROAD ON THIS EASEMENT SHALL BE CONSTRUCTED BY THE SUBDIVIDER (OR THE PURCHASER OF SAID PHASE) BUT SHALL BE MAINTAINED BY THE PROPERTY OWNERS' ASSOCIATION.

LOT 62 IN PHASE 6, AS SHOWN ON THE PHASING PLAN, WILL BE BURDENED BY A PRIVATE ACCESS AND PUBLIC UTILITY EASEMENT BENEFITTING LOT 30-A-1-B OF THE PLACITAS TRAILS SUBDIVISION.

THE ACCESS BETWEEN THE PLACITAS TRAILS SUBDIVISION AND THE PETROGLYPH TRAILS SUBDIVISION VIA NORTE TRAIL/NORTE TRAIL COURT SHALL BE LIMITED IN PERPETUITY TO LAW ENFORCEMENT AND FIRE/EMS USE ONLY. ACCESS SHALL BE VIA A LOCKED GATE AND ONLY AUTHORIZED LAW ENFORCEMENT AND FIRE/EMS PERSONNEL SHALL HAVE A KEY OR COMBINATION CODE TO SAID GATE. THE ROAD SHALL NEVER BE AVAILABLE FOR THE PUBLIC FOR EQUESTRIAN OR VEHICULAR TRAFFIC IN ANY FORM.

C. LAFARGE GRAVEL OPERATION

LAFARGE OPERATES A GRAVEL REMOVAL AND PROCESSING OPERATION ON LEASED LAND DIRECTLY NORTH OF AND ADJACENT TO THE SUBDIVISION. ITS PRESENT LEASE EXTENDS UNTIL 2015. THE SUBDIVIDER DOES NOT KNOW WHETHER LAFARGE WILL CONTINUE OPERATIONS AFTER THAT DATE OR WHETHER BEFORE OR AFTER THAT DATE ANY OTHER ENTITY WILL CONDUCT MINING OPERATIONS ON THAT LAND. LAFARGE HAS MOVED ITS MINING TO THEIR SOUTHERN BOUNDARY CONTIGUOUS WITH A PORTION OF PETROGLYPH TRAILS SUBDIVISION WHICH INCLUDES STRIPPING DIRT THAT COVERS THE GRAVEL VEIN AND THEN EXCAVATING THE GRAVEL. THE STRIPPING OF DIRT ALONG THE RIDGELINE WILL BE VISIBLE FROM THE SUBDIVISION. LAFARGE HAS WORKED WITH THE ANASAZI TRAILS HOMEOWNERS IN AN EFFORT TO MITIGATE SPECIFIC PROBLEMS OR CONCERNS EXPRESSED BY THE HOMEOWNERS' ASSOCIATION SUCH AS THE NEGATIVE EFFECTS OF, DUST, BACKUP BEEPERS ON TRUCKS AND LONG HOURS OF OPERATION ON THE PEACEFUL ENJOYMENT OF ONE'S LOT. THERE HAVE BEEN DISCUSSIONS ABOUT THE POSSIBLE CONSTRUCTION OF EARTH BERMS TO CONCEAL ITS OPERATIONS BUT SUBDIVIDER CANNOT AND DOES NOT MAKE ANY REPRESENTATIONS ABOUT WHAT LAFARGE MAY DO IN THIS REGARD. LAFARGE HAS INDICATED THAT IT WILL CONTINUE TO MAKE EFFORTS TO REDUCE DUST AND NOISE, BUT IT ACKNOWLEDGES THAT THOSE EFFORTS WILL NOT ELIMINATE THE DUST AND NOISE COMPLETELY. LAFARGE HAS INDICATED THAT ITS CURRENT PLAN IS TO CONDUCT MINING OPERATIONS WHICH MAY INCLUDE MINING BEYOND 2015, HOWEVER THE SUBDIVIDER HAS NO CONTROL OVER WHAT LAFARGE, OR ANY OTHER OPERATOR ON THIS LAND, DOES, AND

CANNOT ATTEST TO WHETHER OR NOT LAFARGE WILL FOLLOW SUCH PLANS. PLEASE CONTACT LAFARGE DIRECTLY IN ORDER TO ASCERTAIN THE LATEST AND MOST ACCURATE INFORMATION ABOUT ITS PRESENT OPERATION AND FUTURE PLANS. THE LAFARGE TELEPHONE NUMBER AT THE TIME OF THIS PRINTING IS 343-7800. ATTACHED AS **EXHIBIT P** IS A MAP IDENTIFYING LAFARGE'S PROPOSED OPERATION AS OF EARLY 2005. ATTACHED AS **EXHIBIT Q** IS AN APRIL 26, 2005 LETTER FROM LAFARGE, WITH AN ATTACHMENT, THAT ADDRESSES RECLAMATION REQUIREMENTS.

D. ELECTROMAGNETIC FIELDS

BOTH OVERHEAD AND UNDERGROUND ELECTRICAL LINES GENERATE HIGH LEVELS OF ELECTROMAGNETIC FIELDS THAT MAY CAUSE A HEALTH HAZARD, INCLUDING CANCER, TO HUMANS, ESPECIALLY IN CHILDREN. FOR FURTHER INFORMATION REGARDING ELECTROMAGNETIC FIELDS, PURCHASERS CAN CONTACT THE PUBLIC SERVICE COMPANY OF NEW MEXICO.

E. ARSENIC IN WATER

THE ARSENIC LEVEL IN THE WATER PROVIDED BY THE ANASAZI TRAILS WATER COOPERATIVE COMPLIES WITH THE EPA (2006) MAXIMUM ALLOWABLE LEVEL OF 10 PARTS PER BILLION. THE ANASAZI TRAILS WATER COOPERATIVE CAME INTO COMPLIANCE WITH THIS REGULATION IN APRIL 2008 BY INSTALLING ARSENIC REMEDIATION EQUIPMENT WHICH IS BEING PAID FOR BY A ONE-TIME FEE OF \$372 IMPOSED AT THE TIME OF THE CLOSING OF A SINGLE-FAMILY RESIDENTIAL LOT PURCHASE, PLUS AN ONGOING ARSENIC REMEDIATION FEE CHARGED MONTHLY BY THE COOPERATIVE WITH THE MONTHLY BILLING. **EXHIBIT R** - AGREEMENT REGARDING ARSENIC REMEDIATION. PURCHASERS OF PHASES AND MULTI-FAMILY LOTS SHOULD CONTACT THE WATER COOPERATIVE FOR FEES THAT MAY APPLY TO THEM. SEE ALSO SECTION 20(A).

F. TRAFFIC CONGESTION

AS THE PLACITAS AND BERNALILLO AREA CONTINUES TO BE DEVELOPED, TRAFFIC CONGESTION, PARTICULARLY AT THE I-25 AND HIGHWAY 165 INTERSECTION, HAS INCREASED AND IT APPEARS IT WILL CONTINUE TO INCREASE, AS WILL CONGESTION IN OTHER AREAS. PURCHASERS ARE ADVISED TO SATISFY THEMSELVES THAT SUCH CONGESTION WILL NOT POSE A PROBLEM FOR THEM.

G. RISKS OF BUYING LAND

THE FUTURE VALUE OF LAND IS UNCERTAIN AND DEPENDENT UPON MANY FACTORS. DO NOT EXPECT ALL LAND TO INCREASE IN VALUE.

ANY SUBDIVISION WILL HAVE AN IMPACT ON THE SURROUNDING ENVIRONMENT. WHETHER OR NOT THE IMPACT IS ADVERSE AND THE DEGREE OF IMPACT WILL DEPEND ON THE LOCATION, SIZE, PLANNING AND EXTENT OF DEVELOPMENT. SUBDIVISIONS WHICH ADVERSELY AFFECT THE ENVIRONMENT MAY CAUSE GOVERNMENTAL AGENCIES TO IMPOSE RESTRICTIONS ON THE USE OF THE LAND. CHANGES IN PLANT AND ANIMAL LIFE, AIR AND WATER QUALITY AND NOISE LEVELS MAY AFFECT THE USE AND ENJOYMENT OF A LOT AND THE ABILITY TO RESELL IT. SINCE THE PURCHASE OF A LOT IN THE SUBDIVISION INVOLVES A MAJOR EXPENDITURE OF MONEY, IT IS RECOMMENDED THAT ALL POTENTIAL PURCHASERS SEEK PROFESSIONAL ADVICE BEFORE OBLIGATING THEMSELVES.

33. RECREATIONAL FACILITIES

PEDESTRIAN TRAILS HAVE BEEN OR WILL BE BUILT IN THE ROAD RIGHT-OF-WAYS ALONG PETROGLYPH TRAILS ROAD. THERE MAY BE OTHER RECREATIONAL FACILITIES CONSTRUCTED IN THE SUBDIVISION IN THE FUTURE. THE ASSOCIATION DOCUMENTS

OUTLINE HOW THIS MAY BE ACCOMPLISHED AND MAINTAINED IN THE FUTURE. SUBJECT TO AGREEMENT BETWEEN THE ANASAZI HOMEOWNERS ASSOCIATION (FORMERLY THE ANASAZI TRAILS HOMEOWNERS ASSOCIATION) AND THE ASSOCIATION, RESIDENTIAL LOT OWNERS WITHIN THE SUBDIVISION, AND THEIR INVITEES, MAY BE PERMITTED TO USE THE TENNIS COURT, PUTTING GREEN AND PARKING LOT WITHIN THE ANASAZI TRAILS SUBDIVISION.

34. **FIRE PROTECTION**

THE ANASAZI TRAILS WATER COOPERATIVE AND DELASHE INVESTMENTS, LLC HAVE CONSTRUCTED A WATER SYSTEM WHICH IS OR WILL BE SHARED BY THE ANASAZI TRAILS, ANASAZI MEADOWS, AND PETROGLYPH TRAILS SUBDIVISIONS, WHICH INCLUDES TWO 175,000 GALLON WATER STORAGE TANKS (FOR A TOTAL OF 350,000 GALLONS). THE SUBDIVIDER HAS, OR THE PURCHASERS OF THE PHASES WILL BE REQUIRED TO, INSTALL FIRE HYDRANTS IN PETROGLYPH TRAILS SPACED AT INTERVALS WHICH COMPLY WITH SANDOVAL COUNTY SUBDIVISION REQUIREMENTS. ALL REQUIRED FIRE HYDRANTS MUST BE INSTALLED, TESTED AND APPROVED BY THE SANDOVAL COUNTY FIRE MARSHALL PRIOR TO COUNTY APPROVAL OF ANY BUILDING PERMITS IN A PHASE.

MINIMUM FIRE STORAGE REQUIREMENTS ARE: STORAGE FOR SANDOVAL COUNTY IS 100,000 GALLONS. RESIDENTIAL PEAK DAY VOLUME IS LIMITED BY THE CCRs TO 10,389 GALLONS PER 30 DAY MONTH, WHICH IS EQUIVALENT TO 346.3 GALLONS/DAY, MINIMUM REQUIRED STORAGE VOLUME = 3 PEAK DAYS RESIDENTIAL VOLUME PLUS FIRE VOLUME. EXHIBIT D - EXECUTIVE SUMMARY FROM RESOURCE TECHNOLOGY, INC.

TOTAL NUMBER OF LOTS IN ANASAZI TRAILS, ANASAZI MEADOWS, AND PETROGLYPH TRAILS IS ANTICIPATED TO BE 368 LOTS.

MINIMUM STORAGE CALCULATIONS FOR ALL THREE SUBDIVISIONS ARE: 372 LOTS X 346.3 GALLONS PER LOT X 3 DAYS = 386,470.8 GALLONS. TOTAL REQUIRED STORAGE VOLUME = 386,470.8 GALLONS + 100,000 GALLONS = 486,470.8 GALLONS.

WATER STORAGE FACILITIES AVAILABLE ARE: TWO 175,000 GALLON WATER TANKS = 350,000 GALLONS OF WATER STORAGE AND TWO 90 GALLON PER MINUTE WELLS FEED THE TWO WATER TANKS.

ASSUME ONE WELL IS INOPERABLE, IF THE SECOND WELL RUNS 24 HOURS PER DAY FOR 3 DAYS IT CAN PRODUCE 388,800 GALLONS. THEREFORE, THE TOTAL WATER AVAILABLE IN A 3 DAY PERIOD IS 388,800 + 350,000 = 738,800 GALLONS AVAILABLE, WHICH IS HIGHER THAN THE AMOUNT REQUIRED.

THE PLACITAS VOLUNTEER FIRE BRIGADE WILL PROVIDE FIRE PROTECTION. THE FIRE STATION IS LOCATED AT 10 PETROGLYPH TRAILS ROAD. THERE IS AN ADDITIONAL FIRE STATION IN PLACITAS WHICH IS LOCATED APPROXIMATELY 4 MILES FROM THE SUBDIVISION ACCESSED BY MEANS OF NM HWY 165. THE BERNALILLO FIRE DEPARTMENT IS ALSO APPROXIMATELY FOUR MILES FROM THE SUBDIVISION. THE SUBDIVIDER ENCOURAGES PROPERTY OWNERS TO CONSIDER INSTALLATION OF RESIDENTIAL SPRINKLERS FOR FIRE PROTECTION. EXHIBIT S - LETTERS FROM COUNTY FIRE MARSHALL.

35. **POLICE PROTECTION**

THE SANDOVAL COUNTY SHERIFF'S DEPARTMENT PROVIDES POLICE PROTECTION. EXHIBIT T - LETTER FROM SANDOVAL COUNTY SHERIFF.

36. PUBLIC SCHOOLS

PETROGLYPH TRAILS SUBDIVISION IS LOCATED IN THE TOWN OF BERNALILLO PUBLIC SCHOOL DISTRICT. STUDENTS COULD ATTEND ELEMENTARY SCHOOL IN EITHER BERNALILLO OR PLACITAS, THEN BERNALILLO MIDDLE SCHOOL, AND BERNALILLO HIGH SCHOOL. THE BERNALILLO SCHOOLS ARE LOCATED WITHIN THE TOWN OF BERNALILLO APPROXIMATELY 4 MILES FROM THE SUBDIVISION. PLACITAS ELEMENTARY SCHOOL IS IN THE VILLAGE OF PLACITAS, AND IS APPROXIMATELY 6 MILES FROM THE SUBDIVISION. SEE EXHIBIT U.

37. HOSPITALS

THE NEAREST HOSPITAL FACILITY IS NORTHEAST HEIGHTS MEDICAL CENTER HOSPITAL IN ALBUQUERQUE AT 4701 MONTGOMERY BLVD NE, APPROXIMATELY 15 MILES FROM THE SUBDIVISION BY MEANS OF NM 165 TO I-25 SOUTH TO THE MONTGOMERY EXIT, HEADING EAST TO NORTHEAST HEIGHTS MEDICAL CENTER. AT THE TIME THIS DISCLOSURE STATEMENT WAS WRITTEN THERE WAS A PROMINENT SIGN ON THE FRONT OF THE HOSPITAL SAYING "WOMEN'S HOSPITAL" EVEN THOUGH THE HOSPITAL IS OFFICIALLY KNOWN AS THE NORTHEAST HEIGHTS MEDICAL CENTER AND EVEN THOUGH IT IS A FULL SERVICE HOSPITAL WITH AN EMERGENCY ROOM.

38. SHOPPING FACILITIES

THE NEAREST SHOPPING FACILITIES ARE LOCATED IN PLACITAS ON HIGHWAY 165 AND TIERRA MADRE RD. THERE IS A GROCERY STORE, ONE RESTAURANT, A BANK, BEAUTY SALON AND VIDEO STORE.

39. PUBLIC TRANSPORTATION

THE RAILRUNNER, CURRENTLY PROVIDING COMMUTER SERVICE TO ALBUQUERQUE AND BELEN, IS APPROXIMATELY 2 MILES FROM THE SUBDIVISION OFF OF HIGHWAY 550 IN BERNALILLO.

40. COMPLETION DATES

AFTER FINAL PLAT APPROVAL OF EACH PHASE OF THE SUBDIVISION, CONSTRUCTION OF INFRASTRUCTURE WITHIN SUCH PHASE SHALL BE UNDERTAKEN (IF IT HAS NOT ALREADY BEEN CONSTRUCTED). IT IS ANTICIPATED THAT THE INFRASTRUCTURE WITHIN EACH PHASE SHALL BE COMPLETED WITHIN ONE CALENDAR YEAR AFTER ITS COMMENCEMENT AND THAT IT WILL BE SECURED BY A COMPLETION BOND (UNLESS THE INFRASTRUCTURE IS COMPLETED BEFORE THE FINAL PLAT IS APPROVED FOR SAID PHASE).

EXHIBITS

- A. A(1) PHASING PLAN FOR PETROGLYPH TRAILS
- A(2) 2008 PRELIMINARY PLAT FOR PETROGLYPH TRAILS (MISLABELED "FINAL PLAT")
- A(3) LETTER FROM HUIT-ZOLLARS, INC. (SANDOVAL COUNTY ENGINEERS)
- B. B(1) PETROGLYPH TRAILS MASTER DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
- B(2) ARTICLES OF INCORPORATION FOR PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC.
- B(3) BY-LAWS OF PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC.
- B(4) BY-LAWS OF ANASAZI TRAILS WATER COOPERATIVE
- C. LETTER FROM ANASAZI TRAILS WATER COOPERATIVE
- D. EXECUTIVE SUMMARY FROM RESOURCE TECHNOLOGY, INC.
- E. NM STATE ENGINEER'S OPINION ON WATER QUALITY AND AVAILABILITY
- F. LETTER FROM NM RUBBISH REMOVAL RE: SOLID WASTE
- G. NM STATE ENVIRONMENT DEPARTMENT OPINION ON WATER QUALITY/LIQUID WASTE/SOLID WASTE
- H. WATER QUALITY TEST RESULTS
- I. RESOURCE TECHNOLOGY, INC.'S MAP DEPICTING 25% OR GREATER SLOPE AREAS AND 100-YEAR FLOOD PLAIN
- J. CORONADO SOIL & WATER CONSERVATION DISTRICT OPINION ON TERRAIN MANAGEMENT
- K. GUIDELINES FOR STORM DETENTION AREAS
- L. LANDSCAPING PLAN
- M. HOLD HARMLESS AND INDEMNITY AGREEMENT
- N. NM HIGHWAY DEPARTMENT OPINION ON ACCESS
- O. NM DEPARTMENT OF CULTURAL AFFAIRS OPINION ON ARCHEOLOGICAL SITES
- P. MAP OF PROPOSED LAFARGE OPERATIONS
- Q. LETTER FROM LAFARGE
- R. AGREEMENT REGARDING ARSENIC REMEDIATION
- S. LETTERS FROM SANDOVAL COUNTY FIRE MARSHALL
- T. LETTER FROM SANDOVAL COUNTY SHERIFF
- U. LETTER FROM BERNALILLO PUBLIC SCHOOLS

APPROVED:

SANDOVAL COUNTY
BOARD OF COUNTY COMMISSIONERS

_____, CHAIRMAN

DATE

_____, CLERK

DATE

SEE BACK PAGE

PHASING PLAN
PETROGLYPH TRAILS SUBDIVISION
PROJECTED SECTIONS 28 & 33, T13N, R1E, N.L.M.P.M.
FELIPE CUTIHERREZ GRANT
SANDOVAL COUNTY, NEW MEXICO
SHEET 1 OF 2

LEGAL DESCRIPTION:
The above described land is situated in Sections 28 & 33, T13N, R1E, N.L.M.P.M., Felipe Cutiherrez Grant, Sandoval County, New Mexico. The land is bounded on the north by the boundary of the land owned by the State of New Mexico, on the south by the boundary of the land owned by the State of New Mexico, on the east by the boundary of the land owned by the State of New Mexico, and on the west by the boundary of the land owned by the State of New Mexico.

GENERAL CONDITIONS OF SUBDIVISION:
The subdivision is subject to the following conditions:
1. The subdivision is subject to the approval of the State Engineer of New Mexico.
2. The subdivision is subject to the approval of the Board of Commissioners of Sandoval County, New Mexico.

REMARKS:
This subdivision is being made in accordance with the provisions of the Subdivision Act, Chapter 10, Section 10-1-1, of the Statutes of the State of New Mexico, and the rules and regulations of the State Engineer of New Mexico.

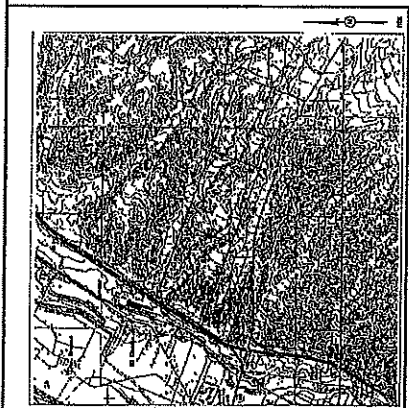
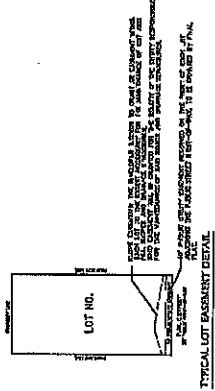
Let's Survey, Inc. 2/10/08

Alpha Professional Surveying, Inc.
P.O. Box 48316, 800 Nevada, New Mexico 87174
Phone: 505-832-1878 Fax: 505-832-1878
Alpha Lic: 91-152
Drawn by: DBI

- 1. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE STATE ENGINEER OF NEW MEXICO.
- 2. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO.
- 3. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO.
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- 9. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO.
- 10. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO.

DEED RECORDATION:
This deed is being recorded in accordance with the provisions of the Subdivision Act, Chapter 10, Section 10-1-1, of the Statutes of the State of New Mexico, and the rules and regulations of the State Engineer of New Mexico.

GENERAL CONDITIONS:
The subdivision is subject to the following conditions:
1. The subdivision is subject to the approval of the State Engineer of New Mexico.
2. The subdivision is subject to the approval of the Board of Commissioners of Sandoval County, New Mexico.

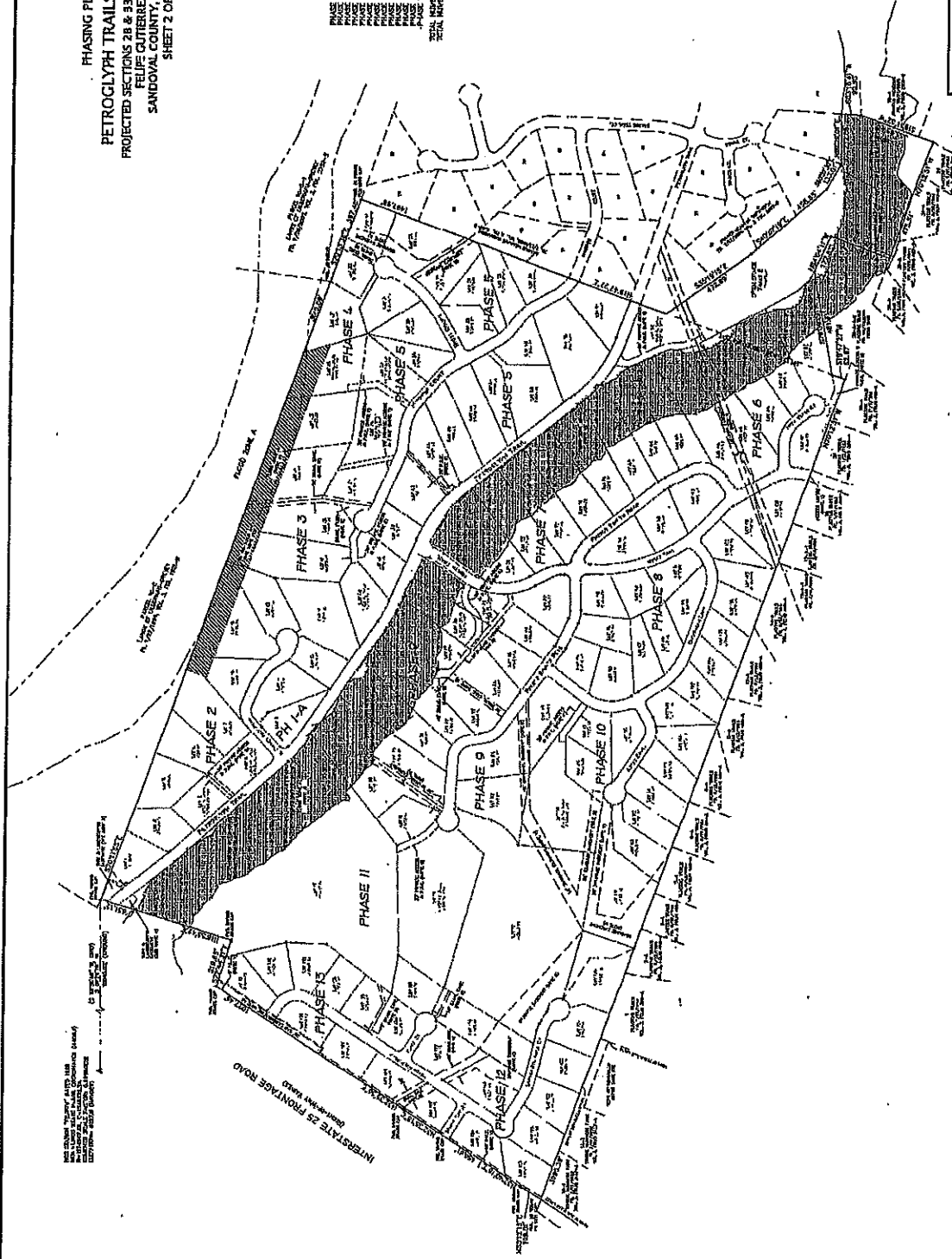


Vicinity Map

- 1. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE STATE ENGINEER OF NEW MEXICO.
- 2. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO.
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- 10. THE SUBDIVISION IS SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO.

PHASING PLAN
PETROGLYPH TRAILS SUBDIVISION
 PROJECTED SECTIONS 28 & 33, T13N, R4E, N1/2P14,
 FELINE CANTERBURY GRANT,
 SANDOVAL COUNTY, NEBRASKA
 SHEET 2 OF 2

PHASE 1 - 1 LOT
 PHASE 2 - 2 LOTS
 PHASE 3 - 3 LOTS
 PHASE 4 - 4 LOTS
 PHASE 5 - 5 LOTS
 PHASE 6 - 6 LOTS
 PHASE 7 - 7 LOTS
 PHASE 8 - 8 LOTS
 PHASE 9 - 9 LOTS
 PHASE 10 - 10 LOTS
 TOTAL NUMBER OF SECTIONS 10



Alpha Professional Surveying Inc.
 P.O. Box 18815, San Francisco, New Mexico 87174
 Phone: 505-826-1888 Fax: 505-831-0977
 E-mail: info@alpha-pro.com
 License No. 10-100

FINAL PLAN
PETROGLYPH TRAILS SUBDIVISION
PROJECTED SECTIONS 28 & 29, T14N, R46E, N44W, HALLAM, NE
FELIXE GUTIERREZ COUNTY
SANDOVAL COUNTY, NEW MEXICO
MAY 2008
SHEET 1 OF 3

THESE PLANS WERE PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND I AM A LICENSED SURVEYOR IN THE STATE OF NEW MEXICO. I AM NOT PROVIDING ANY GUARANTEE OF ACCURACY OR LIABILITY FOR THE INFORMATION CONTAINED HEREIN. THE INFORMATION CONTAINED HEREIN IS FOR YOUR INFORMATION ONLY AND IS NOT TO BE USED FOR ANY OTHER PURPOSE. I AM NOT PROVIDING ANY GUARANTEE OF ACCURACY OR LIABILITY FOR THE INFORMATION CONTAINED HEREIN. THE INFORMATION CONTAINED HEREIN IS FOR YOUR INFORMATION ONLY AND IS NOT TO BE USED FOR ANY OTHER PURPOSE.

NAME OF THE SURVEYOR: Felixe Gutierrez
ADDRESS: 10000 N. ...
CITY: ...
STATE: ...
DATE: ...

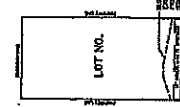
SUBDIVISION CERTIFICATE
I HAVE REVIEWED THE PLANS AND FIND THEM TO BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE SUBDIVISION ACT. I AM NOT PROVIDING ANY GUARANTEE OF ACCURACY OR LIABILITY FOR THE INFORMATION CONTAINED HEREIN. THE INFORMATION CONTAINED HEREIN IS FOR YOUR INFORMATION ONLY AND IS NOT TO BE USED FOR ANY OTHER PURPOSE.



Alpha Professional Surveying Inc.
10000 N. ...
Phone: 505-891-1076
Fax: 505-891-1077
Alpha Lic. 10-01107

THESE PLANS WERE PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND I AM A LICENSED SURVEYOR IN THE STATE OF NEW MEXICO. I AM NOT PROVIDING ANY GUARANTEE OF ACCURACY OR LIABILITY FOR THE INFORMATION CONTAINED HEREIN. THE INFORMATION CONTAINED HEREIN IS FOR YOUR INFORMATION ONLY AND IS NOT TO BE USED FOR ANY OTHER PURPOSE.

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TYPICAL LOT BASEMENT DETAIL
SEE PLAN FOR DIMENSIONS
SEE PLAN FOR DIMENSIONS

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THESE PLANS WERE PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND I AM A LICENSED SURVEYOR IN THE STATE OF NEW MEXICO. I AM NOT PROVIDING ANY GUARANTEE OF ACCURACY OR LIABILITY FOR THE INFORMATION CONTAINED HEREIN. THE INFORMATION CONTAINED HEREIN IS FOR YOUR INFORMATION ONLY AND IS NOT TO BE USED FOR ANY OTHER PURPOSE.

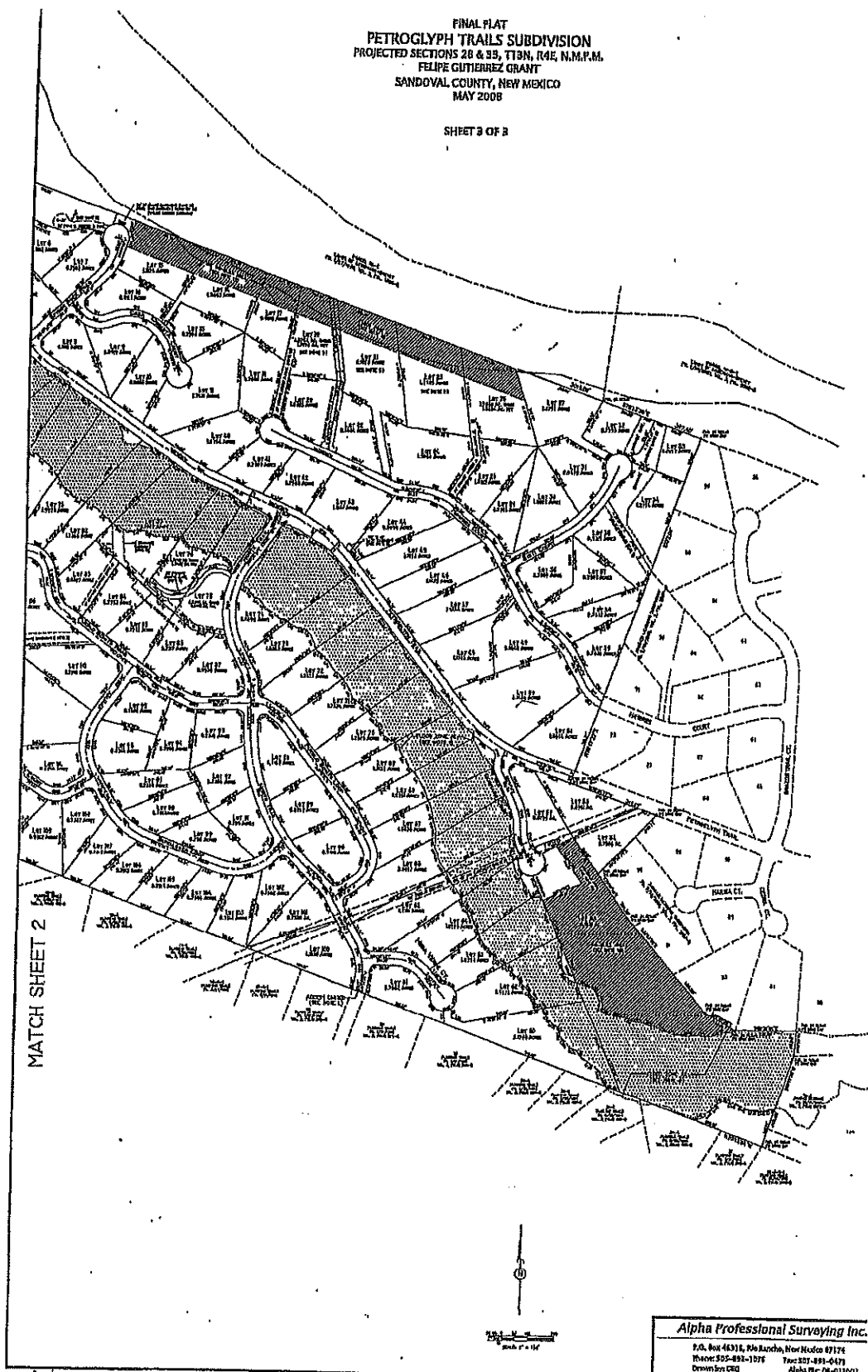


Neighborhood Map

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FINAL PLAT
PETROGLYPH TRAILS SUBDIVISION
PROJECTED SECTIONS 28 & 33, T33N, R42E, N.M.P.M.
FELIPE GUTIERREZ GRANT
SANDOVAL COUNTY, NEW MEXICO
MAY 2008

SHEET 3 OF 3



MATCH SHEET 2



Alpha Professional Surveying Inc.
P.O. Box 46318, Rio Rancho, New Mexico 87174
Phone: 505-892-1875 Fax: 505-892-0473
Drawn by: GSD Alpha PLS 04-011(R1)



HUITT-ZOLLARS, INC. • 333 Rio Rancho Drive NE • Suite 101 • Rio Rancho, NM 87124-1469 • 505.892.6141 phone • 505.892.3269 fax • huittzollars.com

April 2, 2007

Mr. Brad Stebleton, Senior Planner
Sandoval County
711 Camino Del Pueblo
P.O. Box 40
Bernalillo, NM 87031

RE: Petroglyph Trails Subdivision: Preliminary Plat Approval

Dear Brad,

We have reviewed the revised Preliminary Plat submittal for Petroglyph Trails Subdivision.

The developer has revised the originally submitted plans and plat, but has not satisfied all comments and requirements from the previous review. We are recommending approval of the Preliminary Plat for Petroglyph Trails Subdivision with the following conditions:

1. Lots 52,55,56,57,58,59,75,76,77,140,139,135,121,126 do not appear to have adequate building envelopes outside of arroyos or drainage ways. Until LOMR approval and secondary review and approval by Sandoval County Public Works, Sandoval County Planning & Zoning, and Sandoval County Engineer, it is our recommendation that these lots should not be platted based on safety and public welfare.
2. Quemado Court is proposed to be constructed in the 100-Yr floodplain. It is our understanding that Sandoval County will not accept a public road in a known floodplain, therefore it is our recommendation that this road should not be platted based on safety and public welfare.
3. Construction plans must be revised per Sandoval County comments and markups, resubmitted for approval, and approved prior to construction of any improvements. Revisions to construction plans must include slope stabilization measures and may require revisions to platting due to slope stabilization.
4. The plat does not appear to include 100-yr floodplain or drainage easement information for the arroyo north of the proposed development. Long House Road and multiple lots (33,32,27,25,23,21,19,17,14,15,7, and others) may be affected by this floodplain. This information must be provided on plat prior to hearing and may affect platting.
5. A Clean Water Act Section 404 Permit must be secured.
6. A Clean Water Act Section 402 Permit must be secured.
7. A building envelope exhibit should be provided to Sandoval County Planning & Zoning for review which includes existing 25% slopes, proposed road catch-slopes, and all drainage easements. Platting may be affected by revisions required after this review.
8. Approval of the Sandoval County Fire Marshall will be required for road alignment and water for the fire protection system.

Please call me if you have any questions or would like us to provide additional analysis.

Sincerely,
Huitt-Zollars, Inc.

Rob Demeule, P.E.
Project Manager

**PETROGLYPH TRAILS
MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

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PETROGLYPH TRAILS

MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is a master declaration made on the date and year below by Trails Investors, LLC, a New Mexico limited liability company (hereinafter referred to as the "Declarant").

RECITALS

1. Declarant is the owner of that certain real property described in Section 1.35 hereof (the "Property").
2. The purpose of this Declaration is to create and carry out a uniform plan for the improvement, development, sale and use of the Property which may ultimately contain single-family residential, multi-family residential and commercial/light industrial lots within several different phases of development; to preserve so far as possible the natural beauty of the Property; to guard against the erection of poorly designed or proportioned Improvements, or the use of unsuitable materials; to encourage and secure the erection of well-designed, attractive Improvements which are harmonious with their sites and consistent with existing Improvements; and in general, to enhance the environmental quality and economic value of the Property.
3. As various Areas (sometimes referred to as "Phases") within the Property are developed, Declarant may, without obligation, record various final plats and dedicate portions thereof to roadways, drainage, flood control, Common Facilities and otherwise for the general use by owners and residents of portions of the Property, or the Declarant may sell Areas or Phases to other developers who may record final plats thereof subject to Declarant's written approval and consistent with and subject to this Declaration and any supplements hereto, or to separate declarations which will designate the purposes for which such Areas may be used and may set forth different and/or additional covenants, restrictions, assessments, charges, servitudes, liens, reservations and easements applicable to such Areas. In the case of Areas designated for Commercial/Light Industrial Use, Declarant may elect to release said Areas from this Declaration as further discussed in Section 3.2 below.

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

ARTICLE I

DEFINITIONS

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

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

Section 1.3. "Areas" shall mean and refer to the tracts of land designated on the Phasing Plan attached hereto as **Exhibit A** as Phases 2 through 13. Areas are sometimes also referred to as "Phases".

Section 1.4. "Assessments" shall mean and refer collectively to all regular maintenance charges and assessments, any special assessments or charges, and any fines or other fees provided in Article X hereof.

Section 1.5. "Association" or "Property Owners' Association" shall mean and refer to Petroglyph Trails Property Owners Association, Inc., a New Mexico nonprofit corporation, which Declarant has caused or will cause to be incorporated. Declarant intends to allow for the formation of Sub-Associations for particular Areas within the Property.

Section 1.6. "Commercial Covenants" shall mean the covenants, conditions and restrictions, if any, set forth in a separate declaration, as may be adopted at such time, if any, as Declarant redesignates any Lots or Areas for Commercial/Light Industrial Use (or as may be adopted by a developer of an Area purchased from Declarant, who has Declarant's written consent to redesignate such Area and to adopt such separate declaration).

Section 1.7. "Commercial/Light Industrial Use" shall mean the occupancy or use of a structure on a lot that has been designated by Declarant (or by a developer of an Area purchased from Declarant who has Declarant's written consent to such designation) for commercial and/or light industrial use as permitted by Section 3.2 hereof.

Section 1.8. "Common Facilities" shall mean and refer to all existing and subsequently provided Improvements upon or within the Common Properties, except those as may be expressly excluded herein. Also, in some instances, Common Facilities may consist of Improvements for the use and benefit of all Owners constructed on a portion of one or more Lots or on acreage owned by Declarant (or Declarant and others), which is not a part of the Common Properties. By way of illustration, Common Facilities may include, but are not necessarily limited to, the following: structures for recreation, storage or protection of equipment, fences, walls, common driveways, landscaping, guardhouses, street lights, utility equipment, water pumps, water storage tanks and lines, swimming pools, tennis courts, improvements on private access easements, open space tracts or easements, slope easements, pedestrian trail easements, subdivision entryway easements, and any portions of public roads not accepted for maintenance by Sandoval County or the Town of Bernalillo, as well as any other similar and appurtenant Improvements. References herein to the "Common Facilities (any Common Facility) in the Subdivision" shall mean and refer to Common Facilities as defined respectively in this Declaration.

Section 1.9. "Common Properties" shall mean and refer to the public roadways shown on the Phasing Plan, or on any final Plat of an Area(s) (including such roads that are dedicated to Sandoval County or, if applicable, to the Town of Bernalillo, as public roads) until such time, if any, as the Declarant, or the Association, petitions Sandoval County or the Town of Bernalillo to maintain the public roadways and Sandoval County or the Town of Bernalillo accepts such maintenance, together with such other tracts and Lots as the Association may, at any time or from time to time, acquire by deed from Declarant, subject, however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the applicable Plat, and/or by virtue of prior grants or dedications by Declarant or Declarant's predecessors in title. References herein to "the Common Properties in the Subdivision" shall mean and refer to Common Properties as defined respectively in this Declaration.

Section 1.10. "Declarant" shall mean and refer to Trails Investors, LLC, or its successors or assigns, and the rights of the Declarant hereunder shall run to any members of Trails Investors, LLC, should any portion of the Property be distributed or otherwise conveyed to such members. Builders and/or developers who purchase an Area from Declarant shall not, for purposes of this Declaration, be considered a successor or assignee of Declarant unless such designation is specifically set forth in the deed of conveyance to such builder or developer.

Section 1.11. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document, as the same may be from time to time amended or supplemented.

Section 1.12. "Development Plan" shall mean the plan for development of a Lot or Area, which is required to be submitted to the ACC pursuant to Sections 6.1 and 8.12 hereof.

Section 1.13. "Drainage Easement" shall be any area designated on a Plat as such and in addition shall include any and all arroyos, creeks, streams, sedimentation basins or bar ditches located, designated or constructed on the Property.

Section 1.14. "Emitted Light" shall mean light coming directly from a source or reflected from the Fixture, but not light reflected from a building or the ground.

Section 1.15. "Fixture" shall mean a complete lighting unit, less any support. A lighting unit containing multiple light sources is considered to be a single Fixture.

Section 1.16. "Fully Shielded" shall mean shielded or constructed so that no Emitted Light is emitted onto adjacent or nearby lots or public roads, or at an angle above the horizontal plane. The required shielding need not necessarily be built into the Fixture itself.

Section 1.17. "House Structure(s)" shall mean any improvement constructed, erected, placed, laid or installed in, on or over real property which is a part of a house, (for example, without limitation, portals, garages or buttresses), the use of which requires a location on or in the ground.

Section 1.18. "Improvement(s)" shall mean the buildings, garages, carports, streets, roads, utilities, antennas, driveways, parking areas, walls, fences, hedges, plantings, planting or removal of trees or shrubs or hedges or ground cover or any other landscaping, lighting and all other House Structures, Multi-Family Structures or Other Structures or landscaping improvements of every kind and type affecting the natural condition of the land or the drainage of surface waters on, across or from the land.

Section 1.19. "Light Trespass" shall mean excessive light or glare visible from adjacent or nearby lots or public roads.

Section 1.20. "Light Pollution" shall mean any light directed upward, i.e., at any angle above the horizontal plane.

Section 1.21. "Lot" shall mean each parcel of land shown as a lot on a recorded Plat of an Area of the Property and designated thereon by a separate Lot number, or any subsequent subdivision of a Lot.

Section 1.22. "Master Plan" or "Master Planned Community" or "Petroglyph Trails" refers to the entire Property which Declarant intends to develop in various Phases or Areas. A depiction of the various Areas is set forth in the Phasing Plan attached hereto as **Exhibit A**.

Section 1.23. "Member(s)" shall mean and refer to all those Owners who are members of the Association as provided in this Declaration.

Section 1.24. "Modular Dwelling" shall mean a factory-fabricated transportable building designed to be used by itself or to be incorporated with similar units at a building site into a modular structure on a permanent foundation. The term applies to major assemblies designed to be permanently affixed to real property in conformance with the local building code, and does not include prefabricated sub-elements such as panels, trusses or plumbing trees which are to be incorporated into a structure at a building site.

Section 1.25. "Multi-Family Covenants" shall mean the covenants, conditions and restrictions, if any, set forth in any amendment to this Declaration or in a separate declaration or Supplemental Declaration, as may be adopted at such time, if any, as Declarant designates a portion of the Property for Multi-Family Use (or at such time as a developer of an Area purchased from Declarant, who has Declarant's written consent to do so, adopts such amendment, separate declaration or Supplemental Declaration).

Section 1.26. "Multi-Family Structure(s)" shall mean any improvement constructed, erected, placed, laid or installed in, on or over real property which is designed for occupancy by two or more families, living independently of each other and having separate cooking and sleeping facilities within their own dwelling unit, the use of which requires a location on or in the ground.

Section 1.27. "Multi-Family Use" shall mean the occupancy or use of a Multi-Family Structure by multiple single persons, families or family-sized units, which use or occupancy is in conformity with this Declaration, any Multi-Family Covenants and any requirements imposed by applicable zoning laws or any other state, county or municipal laws, rules, regulations, codes or ordinances.

Section 1.28. "Open Space" shall mean the approximately 9.08 acres designated as Tract "E" within Phase 6 as shown on **Exhibit A** which shall, if included in the final Plat for Phase 6, be preserved without development for the use and enjoyment of the Owners.

Section 1.29. "Other Structure(s)" shall mean any improvement constructed, erected, placed, laid or installed in, on or over real property which is not part of a House Structure or a Multi-Family Structure (for example, fences and walls), the use of which requires a location on or in the ground but not including vegetation, trees, shrubs or plantings.

Section 1.30. "Owner(s)" shall mean and refer to the record owner, whether one or more persons, associations or entities, of legal, equitable or beneficial title of or to any Lot or Area. Owner shall include the purchaser of a Lot or Area under an executory contract for sale of real property. The foregoing does not include persons or entities that hold an interest in any Lot or Area, or in the Property, merely as security for the performance of an obligation. Any reference herein to Owners shall include Owners as defined herein. If any Lot is leased, the term Owner(s) shall include lessees, provided the lease is in writing and for a term of at least one year. Although Phase 1-A is within Petroglyph Trails, as shown on **Exhibit A**, said Phase 1-A is not included in the definition of the "Property" hereunder, it is not subject to this Declaration and its owner, Sandoval County, is not Owner hereunder, nor is it a member of the Association. Sandoval County, as owner of Phase 1-A is, however, a member of the Water Cooperative.

Section 1.31. "Partially Shielded" shall mean shielded or constructed so that some, but no more than a very small fraction, of the Emitted Light is emitted onto adjacent or nearby Lots or public roads, or at an angle above the horizontal plane. The required shielding need not necessarily be built into the Fixture itself.

Section 1.32. "Phase" or "Phases" shall mean and refer to the twelve (12) tracts of land labeled as Phases 2 through 13 on the Phasing Plan attached hereto as **Exhibit A**. Phases are also referred to as "Areas".

Section 1.33. "Phasing Plan" refers to the plan attached hereto as Exhibit A.

Section 1.34. "Private Waste Disposal Systems" shall mean any septic tank, tank, septic system, evapotranspiration ("ET") or other system for the disposal of sewage or waste from a residential structure including all pipes, fittings, lines and other related equipment or attachments thereto.

Section 1.35. "Property" shall mean and refer to the real property located in Sandoval County, New Mexico, and more specifically described by the metes and bounds legal description set forth in **Exhibit B** to this Declaration. The Property is also referred to as "Petroglyph Trails".

Section 1.36. "Security Lighting" shall mean lighting, which is turned on and off by a timer, motion sensor, infra-red detector, photo-electric cell or other such automatic control.

Section 1.37. "Single-Family Residential Use" shall mean the occupation or use of a Structure as a residence by a single person, a family or a family-sized unit in conformity with this Declaration and the requirements imposed by applicable zoning laws or any other state, county or municipal laws, rules, regulations, codes or ordinances.

Section 1.38. "Single-Family Residential Unit(s)" shall mean a residential dwelling unit designed for occupancy by a single person, a family or a family-sized unit in conformity with this Declaration and the requirements imposed by applicable zoning laws or any other state, county or municipal laws, rules, regulations, codes or ordinances.

Section 1.39. "Single-Family Residential Lots" shall mean Lots designated for Single-Family Residential Use.

Section 1.40. "Structure(s)" shall mean House Structure(s), Multi-Family Structure(s), or Other Structure(s).

Section 1.41. "Sub-Association(s)" shall mean and refer to any New Mexico nonprofit corporation which Declarant has caused or will cause to be incorporated for a particular Area(s) within the Property (other than Petroglyph Trails Property Owners Association, Inc.), which is subject to this Declaration, and any Supplemental Declaration pursuant to which covenants and restrictions are adopted for said Sub-Association. Each owner who is a member of a Sub-Association shall also hold membership in Petroglyph Trails Property Owners Association, Inc.

Section 1.42. "Supplemental Declaration" shall mean a written instrument recorded pursuant to Section 3.6.

Section 1.43. "Subdivision" shall mean and refer to all of Petroglyph Trails which shall be, or has been, created by final Plats for each Area filed in real property records of the Sandoval County Clerk.

Section 1.44. "Subdivision Map" or "Subdivision Plat" or "Plat Map" or "Plat" or "Final Plat" shall mean a recorded final plat covering any Area or Phase within the Property referred to in this Declaration.

Section 1.45. "Visible From Neighboring Property" shall mean that with respect to any given House Structure or Other Structure or other object, that such House Structure or Other Structure or object is or would be visible to a person six (6) feet tall, standing on any part of a neighboring property. A neighboring property shall be any Lot from which a person can view another Lot or a structure or object on that Lot with the naked eye. In instances where roof equipment is visible from above, no additional requirements will be imposed so long as equipment is shielded from side view.

Section 1.46. "Water Cooperative" shall mean and refer to the Anasazi Trails Water Cooperative, or its successors or assigns, established pursuant to applicable law, which provides domestic water service to the lots within the Anasazi Trails and Anasazi Meadows Subdivisions and has agreed to allow water to be provided to Lots within Petroglyph Trails (unless Declarant, or a builder and/or developer who purchases an Area from Declarant, with Declarant's consent, elects not to have such Lots hook up to the Water Cooperative system and instead obtains water for such Lots from the Town of Bernalillo municipal water system).

ARTICLE II

PROPERTY SUBJECT TO RESTRICTION

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

Section 2.2. Description of Property. The property subject to this Declaration is all Property described in Section 1.35 hereof.

ARTICLE III

LAND USE

Section 3.1. Types of Land Use.

(a) Single-Family Residential Use. Each Lot is restricted to Single-Family Residential Use and is restricted to one Single-Family Residential Unit per Lot, with the exception of that portion of the Property, if any, as may be designated for Multi-Family Use, or Commercial/Light Industrial Use.

(b) Multi-Family Use. With respect to Lots, if any, as may be designated in the future for Multi-Family Use, as permitted by Section 3.2 or Section 3.3(b) hereof, each Lot so designated shall be restricted to Multi-Family Use as permitted by applicable zoning laws and any other applicable state, county or municipal laws, rules, regulations, codes or ordinances.

(c) Commercial/Light Industrial Use. With respect to Lots, if any, as may be designated in the future for Commercial/Light Industrial Use, as permitted by Section 3.2 or Section 3.3(b) hereof, each Lot so designated shall be restricted to Commercial/Light Industrial Use as permitted by applicable zoning laws and any other applicable state, county or municipal laws, rules, regulations, codes or ordinances.

Section 3.2. Replatting, Rezoning and Releasing Areas from this Declaration.

Declarant has the right in its sole discretion, without the consent or approval of the Owner of any Lot or Area, to final Plat Areas owned by Declarant, to plat or replat the Lots owned by Declarant into a greater number of lots, thereby exceeding the original number of Lots contemplated by the Phasing Plan for Petroglyph Trails, and to revise lot lines and/or remove Lots or Areas from Petroglyph Trails.

Declarant also has the right in its sole discretion without the consent or approval of the Owner of any Lot or Areas, or of the Association, to plat or replat (and rezone as necessary) Lots within the Areas known as Phases 2, 6, 7, 8, 9, 10, 11, 12 and 13, and as depicted on **Exhibit A** hereto, and/or to designate such Areas for Multi-Family Use, to the extent said Areas and/or Lots are at such time still owned by the Declarant. With respect to any portion of the Property designated for Multi-Family Use, Declarant has the right in its sole discretion, but not the obligation, to bind such designated lots to Multi-Family Covenants to further restrict such lots, consistent with this Declaration or any amendments or supplements hereto; and to create a multi-family architectural control committee, and to form a nonprofit corporation in the form of a multi-family association which would be a Sub-Association to which the Lot Owners of the portion of Property designated for Multi-Family Use shall belong.

Likewise, Declarant has the right in its sole discretion without the consent or approval of the Owner of any Lot or Area, or of the Association, to plat or replat (and rezone as necessary) Lots within the Areas known as Phases 2, 12 and 13 and/or to designate such Areas for Commercial/Light Industrial Use or Multi-Family Use, to the extent said Lots or Areas are at such time still owned by the Declarant. With respect to any portion of the Lots or Areas designated for Commercial/Light Industrial Use, Declarant has the right in its sole discretion, but not the obligation, to remove such designated Lots or Areas from the Association and to amend this Declaration to release said Lots or Areas from this Declaration. If Declarant elects not to release such Lots or Areas from this Declaration, a Supplemental Declaration shall be recorded therefore. If Declarant elects to remove such designated Lots or Areas from the Association and release them from this Declaration, Declarant shall record a new declaration of covenants, conditions and restrictions that will bind such Lots or Areas designated for Commercial/Light Industrial Use. Declarant shall, in such event, also have the right, but not the obligation, to create a commercial architectural control committee. Declarant shall further have the right, but not the obligation, to form a nonprofit corporation in the form of a commercial property owners' association to which lot owners of Lots or Areas designated to Commercial/Light Industrial Use would belong.

Further, Declarant has the right in its sole discretion without the consent or approval of the Owner of any Lot or Area, or of the Association, to plat or replat, as applicable, what are currently Lot 77 and Tract A-1 of the Anasazi Meadows subdivision into Area or Phase 6. If Declarant does so, upon the recording of said final Plat or replat said lot and/or tract shall automatically be subject to this Declaration and any amendment or supplements hereto.

With respect to this Section 3.2, each Owner hereby makes, constitutes and appoints Declarant, with full power of subdivision, as the Owner's lawful attorney-in-fact, with power to execute, acknowledge, file and record with any governmental authority any appropriate documents for the purpose of effecting the subdivision or resubdivision or designation of any Lot or portion thereof, or any Areas (including but not limited to replatting any Area into a greater number of Lots or revising Lot lines from those shown on **Exhibit A** hereto, and rezoning the same as necessary, as well as the replatting of what are currently Lot 77 and Tract A-1 in Anasazi Meadows), in accordance with the terms of this Declaration. The foregoing power (i) is coupled with an interest, (ii) is irrevocable, (iii) shall survive the dissolution of or resignation of Declarant, (iv) may be exercised for each Owner individually or by listing all of the Owners and executing any instrument with a single signature as attorney-in-fact for all of them, and (v) shall be binding upon all assignees and successors of each Owner.

Section 3.3. Limitations on Rezoning and/or Replatting.

(a) Lot Owners. Unless such Owner obtains written consent of the Declarant, no Owner (other than Declarant) shall (1) subdivide or separate into smaller Lots or parcels any Lot, (2) seek rezoning of any Lot, or (3) convey or transfer any portion of any Lot or other interest (other than a security interest or a rental or lease). Additionally, no Owner (other than Declarant) shall convey or transfer any easement without the written consent of Declarant or, if the Declarant no longer owns any Lot in any Area, without the written consent of the Association. The provisions in Section 3.3 herein do not prevent a Lot Owner from transferring the whole Lot to a subsequent purchaser or prevent joint ownership or ownership as tenants in common.

(b) Developers who Purchase Areas. For purposes of rezoning and/or replatting, no developer to whom Declarant sells an entire Area may rezone, reconfigure or replat Lots therein, or otherwise seek a final plat of such Area other than as depicted on **Exhibit A** hereto, without Declarant's written consent, and for such purposes such developer shall not be considered Declarant's successor or assignee. Any developer who purchases an Area shall otherwise have the powers described in Section 3.2 above with respect to the Area it owns. If any rezoning, reconfiguration or replatting by the owner of an Area is approved by Declarant and Sandoval County, it may be subject to new or different infrastructure and financial guarantee requirements of Sandoval County than those originally associated with the original preliminary plat for the Property.

Section 3.4. Combining of Lots. An Owner of two (2) or more contiguous Lots may, with prior written approval of the ACC or the Declarant, combine said Lots into one Lot. Such combination shall be at the sole expense of said Owner. After combination, the resulting Lot shall be treated as one (1) Lot for all purposes of this Declaration, including voting rights within the Association and resubdivision.

Section 3.5. Restrictions On Business and Commercial Activity and Rental or Leasing of Property. No business or commercial activity frequented by and open to the general public (and in any event no business or commercial activity which takes place outdoors) shall be conducted within any Single-Family or Multi-Family Use Area. Home occupations by the Owner or occupant of a Lot, or by the Owner or occupant of a unit in a Multi-Family Structure, in such Areas are permissible if conducted in the home, unit or studio and in compliance with any rules and regulations governing home occupations hereafter adopted by the ACC. Nothing contained herein shall be deemed to prevent the rental or leasing of a Single-Family Residential Unit, or any unit in a Multi-Family Structure, by the Owner thereof, subject to all the provisions of this Declaration, so long as such rental is for not less than thirty (30) days. Notwithstanding the foregoing, the Declarant may use any Lot for the business of lot sales, including without limitation a sales office.

Section 3.6. Supplemental Declarations. Declarant may record Supplemental Declarations for Areas it, or any developer it conveys or assigns such Areas to, develops for Multi-Family or Commercial/Light Industrial Use. Supplemental Declarations may designate the number of members applicable to each Lot or building within such Area and the assessments applicable thereto in a manner different from that set forth herein. In no event shall a Supplemental Declaration revoke or modify the covenants established by this Declaration for Lots designated for Single-Family Use.

ARTICLE IV

EASEMENTS

Section 4.1. Easements. The Plat for each Area has or shall dedicate for use as such, subject to the limitations set forth therein, certain roadways, streets, rights-of-way and easements shown thereon and such Plat will establish dedications, limitations, reservations and restrictions applicable to said portion of the Property. Further, Declarant and Declarant's predecessors in title may, prior to the Property becoming subject to this Declaration, grant, create and dedicate by recorded instrument(s) certain other easements, restrictions, rights-of-way and related rights affecting the Property. All dedications, limitations, restrictions and reservations shown on a Plat and all grants and dedications of easements, restrictions, rights-of-way and related rights made by Declarant or Declarant's predecessors in title, prior to the Property becoming subject to this Declaration (unless deliberately vacated by such Plat), are incorporated herein by reference and made a part of this Declaration for all purposes as if fully set forth herein and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant conveying any part of the Property.

Section 4.2. Changes and Additions. Declarant reserves unto itself (and unto any developer to whom Declarant has sold an Area, subject to Declarant's written consent) the right to make changes in and additions to the above easements and rights-of-way for the purpose of efficiently and economically installing Improvements. Further, Declarant reserves unto itself (and unto any developer to whom Declarant has sold an Area, subject to Declarant's written consent) the right, without the necessity of including or obtaining the consent of any Owner or other person or entity, to grant, dedicate, reserve or otherwise create, at any time or from time to time, rights-of-way and easements for public utility purposes (including, without limitation, gas, water, electricity, telephone and drainage), in favor of any person or

entity, along and on either or both sides of any Lot line, with such easement having a maximum width of seven and one-half (7.5) feet on each side of such Lot line.

Section 4.3. Utility Installation and Maintenance. There is hereby created an easement upon, across, over and under all of the Property for ingress and egress in connection with installing, replacing, repairing and maintaining all utilities, including, but not limited to, water, gas, telephones, electricity, cable television and appurtenances thereto. By virtue of this easement, it shall be expressly permissible for the utility companies, the Water Cooperative, Sandoval County and/or the Town of Bernalillo, and any other entities supplying service to install and maintain pipes, wires, conduits, service lines or other utility facilities or appurtenances thereto on, above, across and under the Property, within the public utility easements from time to time existing and from service lines situated within such easements to the point of service on or in any Structure. Notwithstanding the fact that this easement allows access to the utilities from above the Property, this allowance is for access only and does not allow for overhead, that is aerial, utilities. Aerial utilities are prohibited. This prohibition does not exclude connections to the house by cables running from the underground utility to the house, provided such connections are as flush as possible to the house. This prohibition likewise does not affect the preexisting 50 foot-wide Public Service Company of New Mexico easement in Phases 6 and 8 of the Property, which may be maintained and replaced as permitted by said preexisting easement. Notwithstanding anything contained in this Section, no electrical lines, water lines or other utilities or appurtenances thereto may be relocated on the Property until approved by Declarant or the ACC.

Section 4.4. Maintenance of Slopes. Each Owner covenants and agrees to the creation hereby of an easement in favor of Declarant, the developer, if any, to whom Declarant has sold the Area in which said Owner's Lot is located, the ACC, the Association, and Sandoval County and/or the Town of Bernalillo to enter upon his Lot to maintain a cut or fill side slope along any publicly dedicated right-of-way to insure the proper maintenance and drainage of roads in any Subdivision.

Section 4.5. Drainage Easements. Each Owner covenants to provide easements for drainage and water flow as contours of land and the arrangement of Declarant's Improvements and Improvements approved by the ACC thereon require. Each Owner further covenants not to disturb or displace any trees or other vegetation within the Drainage Easements as defined in this Declaration or shown on any Plat. There shall be no development, Improvements or Structures, temporary or permanent, in any Drainage Easement, except as approved in writing by the ACC. There shall be no development, Improvements or Structures, temporary or permanent, in the 100-year flood plain in any event, except as allowed by Section 6.3(c) herein.

Section 4.6. Easements for Access. Declarant, the developer, if other than Declarant, who developed an Area at issue, the ACC, and the Association shall have the right (but not the obligation) and permanent easement to enter upon any and all Lots in each Area for the purpose of maintenance, repair, removal of drainage obstructions and for inspections as to compliance with this Declaration. Declarant, the developer, if other than Declarant, who developed the Area at issue, the ACC, and the Association shall have the right (but not the obligation) to enter any Lot for the purpose of correcting any violation of any obligation herein.

Section 4.7. Surface Areas. The surface of easement areas for underground utility services may be used for planting of shrubbery, trees, lawns or flowers. However, neither Declarant, the developer, if other than Declarant, who developed the Area at issue, nor any supplier of any utility service using any easement area shall be liable to any Owner or to the Association for any damage done by them or any of them or their respective agents, employees, servants or assigns to any of the aforesaid vegetation as a result of any activity relating to the construction, maintenance, operation or repair of any facility in any such easement area.

Section 4.8. Pedestrian Trail Easements and Entryway Easements. To the extent shown on the Plats, there may be certain easements dedicated to pedestrian trails. Such pedestrian trail easements shall be used for pedestrian and non-motorized vehicular use only and such use shall only be within (and not outside of) the trails built on the easements. As well, to the extent as shown on the Plat for Phase 2, there will be an easement for entryway monumentation and landscaping at the entrance of Petroglyph Trails. Declarant has entered into a letter agreement with Anasazi Homeowners Association, Inc. pursuant to which Anasazi Homeowners Association, Inc. is paying the cost from time to time to provide maintenance and repairs associated with the signage, entryway walls and the entryway landscaping, including the cost of watering said landscaping. This Association is committed hereby to paying one third of such maintenance, repair and watering costs beginning one year after the formation of the Association, with Anasazi Homeowners

Association, Inc. at that point beginning to pay the other two thirds of such costs. Any amendment to such agreement will require agreement by both associations and the consent of the Declarant so long as the Declarant owns any Lots or Areas.

ARTICLE V

MAINTENANCE OF ROADS AND EASEMENTS

Section 5.1. Maintenance of Public Roads. Each of the roadways shown on the Plats are, or will be, public roadways which will be maintained by Declarant (or by the developer who installed it, if such roadway was not installed by Declarant) for one year after it is installed. Thereafter, such roads shall be maintained by, and at the expense of, the Association until such time, if any, as the Declarant, the developer who installed the roadway, or the Association requests that Sandoval County, or if applicable the Town of Bernalillo, accepts the same for maintenance, and Sandoval County, or if applicable the Town of Bernalillo, agrees to provide such maintenance. It is understood that Sandoval County, or the Town of Bernalillo, may require certain improvements to roads before they would be willing to accept the same for maintenance including, but perhaps not limited to, "armoring" Petroglyph Trails Road, which armoring, and any other required improvements, would have to be paid for by the Association if it wishes to have Sandoval County or, if applicable, the Town of Bernalillo, maintain said road(s). The term "roadway" does not include any private access and public utility easements shown on any Plat.

Section 5.2. Maintenance of Shared Private Access Easements and Public Utility Easements.

(a) General Maintenance and Repair. The shared private access and public utility easements ("Private Access Easement(s)") shown on any Plat will not be paved by the Declarant (or by the applicable developer if the Area in which such Private Access Easement is located has been sold by Declarant to a developer). Declarant (or such developer) will improve each Private Access Easement with a gravel surface prior to the sale of those Lots through which the Easement runs. Responsibility for the repair and maintenance of the shared Private Access Easement does not rest with the Association or Declarant (or such developer). Responsibility for the general repair and maintenance of the full length of any shared Private Access Easement rests with those Owners who utilize the Easement for ingress and egress ("Responsible Lot Owners"). The cost generally of maintaining and repairing each Private Access Easement and the gravel driveway thereon shall be split evenly between the Responsible Lot Owners, unless one or more of the Responsible Lot Owners has not yet started construction on his/her/their Lot, in which case only the Responsible Lot Owner or Owners who have commenced construction shall be responsible for the costs of maintaining and repairing the applicable Private Access Easement prior to the construction by the second user and any subsequent users thereof. Repairs or maintenance shall be determined by a consensus of a majority of the Responsible Lot Owners.

(b) Minimum Standards for Maintenance. The Responsible Lot Owners shall follow the minimum standards for maintenance of the Private Access Easement: the Private Access Easement must have a 2" base course gravel crowned for drainage into a bar ditch and compacted over subgrade with adequate bar ditches to drain the road properly. No other work shall commence until a majority of the Responsible Lot Owners agrees on the scope and cost of improvements in advance.

(c) Utility Service Work and Repairs. With respect to utility service work and repairs, the cost of repairs to a Private Access Easement which is not borne by the utility company itself is to be borne by the Lot Owner whose utility service is affected, or split evenly between the Lot Owners if the utility service of more than one Lot Owner is benefitted by the installation, maintenance or repair of the utility service. Any portion of the Private Access Easement affected by utility service work shall be restored to the same condition as existed prior to such work.

(d) Barriers and Landscaping. None of the Lot Owners shall erect or construct or cause to be erected or constructed, any fence, wall, curb, gate or other barrier which blocks or otherwise interferes with or restricts the full and complete use of a Private Access Easement by all of the Lot Owners who use a Private Access Easement, unless all of such Lot Owners have consented to the same and such barrier or landscaping does not otherwise violate any covenants, conditions or restrictions to which the Lots are subject. This does not, however, preclude the Lot Owners from planting trees or other ground cover, approved by the ACC, on those portions of any Private Access Easement not actually used for the road. The Lot Owners shall not be liable to one another for injury or damage to such trees or ground cover planted on a Private Access Easement if such damage or injury occurs in connection with the use of a Private Access Easement for its intended purposes.

(e) Entrance onto Lot by Other Lot Owners. Each Lot Owner shall allow the Responsible Lot Owners with whom they share a Private Access Easement, their agents and employees, to temporarily, and with advance notice, enter upon that portion of his Lot, outside of the Private Access Easement, as is reasonably necessary due to terrain or other extraordinary conditions, for the purpose of maintaining and repairing the Private Access Easement. There shall be no disturbance of trees or other ground cover during such entry.

(f) Failure to Pay Lot Owner's Share. If any Lot Owner should neglect or refuse to pay his share of the cost to maintain and/or repair a Private Access Easement, as required by this Declaration, the other Responsible Lot Owners may pay such costs and shall be entitled to a Mechanic's Lien and Lis Pendens on the property of the Lot Owner failing to pay his or her share.

(g) Arbitration and Attorneys' Fees and Costs. THESE PROVISIONS IN SECTION 5.2 REGARDING PRIVATE ACCESS EASEMENTS ARE SUBJECT TO ARBITRATION UNDER THE NEW MEXICO UNIFORM ARBITRATION ACT. In the event that a bona fide dispute should arise between Responsible Lot Owners concerning these provisions, including without limitation interpretation and performance under these provisions, and such dispute cannot in good faith be resolved completely and to the mutual satisfaction of the Responsible Lot Owners involved in the dispute within ten (10) days after the beginning of the dispute, then the Responsible Lot Owners agree that any disputes or claims between the Responsible Lot Owners in any way related to these provisions shall be settled by binding arbitration in accordance with the American Arbitration Association ("AAA") Rules except as specifically modified herein or dictated by applicable statutes including the New Mexico Uniform Arbitration Act. Although the AAA rules shall be followed, the AAA shall not be used to arbitrate the matter. There shall be a single neutral arbitrator selected by the parties, and if the parties cannot agree to an arbitrator, then the parties shall each choose a neutral party who will then agree to a third neutral party as arbitrator. The arbitrator must be a lawyer holding a valid license to practice law in the State of New Mexico. Discovery will be allowed in accordance with the New Mexico Rules of Civil Procedure, and the place for arbitration shall be in Albuquerque, New Mexico. The decision of the arbitrator shall be in writing and signed by the arbitrator and shall be final and binding upon the parties. Each party shall bear the fees and expenses of counsel, witnesses and employees of such party, and any other costs and expenses incurred for the benefit of such party, and shall share in the cost of the arbitrator.

(h) Indemnity. Each Responsible Lot Owner is bound to indemnify the other Responsible Lot Owners with whom he shares a Private Access Easement against the former's share of any liability for personal injury or property damage, when such injury or damage shall result from, arise out of or be attributable to any construction, maintenance or repair undertaken in connection with a Private Access Easement or pursuant to this Section 5.2.

(i) Binding on Future Lot Owners. The covenants and restrictions of this Section 5.2 shall run with and bind the Property and Lots and shall be for the benefit of and be enforceable by the Lot Owners, their respective heirs, successors and assigns of Lots through which the applicable Private Access Easement runs. Notwithstanding the foregoing, to the extent separate private access and shared maintenance agreements are recorded with regard to access shared by specific lots within Petroglyph Trails, the terms of such agreements shall govern and control the use and maintenance of such Private Access Easements, rather than this Article V.

Section 5.3. Subsequent Dedications. The Declarant, a developer of an Area (other than Declarant) in which a Lot at issue is located, or the Association, with the consent of the Responsible Lot Owners, has the right to dedicate the Private Access Easements as public thoroughfares. Upon acceptance of the dedication by Sandoval County, or if applicable the Town of Bernalillo, of a Private Access Easement as a public thoroughfare, the Association shall maintain such Private Access Easement (changed to a public thoroughfare) until such time if any as the Declarant or the Association petitions Sandoval County, or if applicable the Town of Bernalillo, to maintain the same and Sandoval County, or the Town of Bernalillo, accepts such maintenance obligations.

Notwithstanding any other provisions hereof to the contrary, neither the Association, a developer of an Area (other than Declarant), nor any Owner (other than Declarant) of any portion of the Property shall have the right or authority to dedicate or purport to dedicate to the public all or any portion of any Lot, private road or private access easement without the prior written consent of the Declarant and Sandoval County, or if applicable the Town of Bernalillo.

Section 5.4. Driveway Design. The ACC shall have the right to impose limitations on driveway design, including materials, aprons, location and point of contact with dedicated roads, streets or other private driveways in any Subdivision. The ACC may require the installation and maintenance of culverts at the point of contact with dedicated roads. Each Owner must install and maintain culverts where private driveways cross the bar ditches. Further, each Owner whose Lot is along any publically dedicated right-of-way must agree to the creation of an easement to maintain a cut or fill side slope on the Lot along the publically dedicated right-of-way to ensure the proper maintenance and drainage of roads in the Subdivision.

Section 5.5. Maintenance of Pedestrian Trails, the Subdivision Entryway Easement, Access Easement to the Open Space and the Open Space Itself. The pedestrian trail along Petroglyph Trails Road is, or shall be, within the public right-of-way and shall be maintained in perpetuity at the expense of the Association. The Association shall also maintain any other pedestrian trails, the improvements on the easements for the entryway to any Subdivision and the entryway into Petroglyph Trails generally (including any entryway walls, signs or monumentation, and landscaping thereon), the private access and public utility easement allowing access to the Open Space, and the Open Space itself. Declarant has entered into a letter agreement with Anasazi Homeowners Association, Inc. pursuant to which Anasazi Homeowners Association, Inc. is paying the cost from time to time to provide maintenance and repairs associated with the signage, entryway walls and the entryway landscaping, including the cost of watering said landscaping. This Association is committed hereby to pay one third of such maintenance, repair and watering costs beginning one year after the formation of the Association, with Anasazi Homeowners Association, Inc. at that point beginning to pay the other two thirds of such costs. Any amendment to such agreement will require agreement by both associations and the consent of the Declarant so long as the Declarant owns any Lots or Areas.

ARTICLE VI

IMPROVEMENTS AND STRUCTURES

Section 6.1. Development Plan. It is the obligation of each Lot Owner and Area Owner to construct all Improvements on his/her Lot or Area in conformity with all applicable laws, rules, regulations and ordinances. However, to the extent this Declaration is more restrictive than such laws, rules, regulations and ordinances, the restrictions set forth in this Declaration shall control. Each Owner (including the owner of an Area(s)) shall be required to submit a detailed Development Plan, pursuant to the Rules of the ACC, and such plan must be approved in writing prior to the commencement of construction of any Improvement. **No construction whatsoever, including, without limitation, site preparation, clearing of trees or excavation, shall commence without the prior written approval of the ACC.** All construction and development shall comply strictly with the approved Development Plan. Any person purchasing any portion of the Property subject to this Declaration acknowledges that the breach or violation of this Section 6.1 is likely to result in irreparable harm to the rights and interests of other Owners in the Subdivision and that the ACC or the Association, on behalf of such Owners, shall be entitled to injunctive relief, temporary or permanent, in order to prohibit such violation; provided, however, that this provision shall be in addition to any other remedies available hereunder or at law or equity.

Section 6.2. Time for Construction.

(a) Construction of any Structure or Improvement, including without limitation minimal restoration of vegetation disturbed during or due to construction, or other approved landscaping, shall be continuous and proceed in an orderly fashion without interruptions and any Structure or Improvement on a Lot shall be completed in a reasonable time, not to exceed twelve (12) months from the commencement of construction. Declarant (and any developer of an Area other than Declarant if such developer has the written consent of Declarant) has the sole right to commence site preparation without the obligation to complete the construction of any Structure or Improvement within any given time frame.

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

(c) Materials and equipment necessary for construction, and all debris resulting from clearing or construction, shall be confined to the Lot in as neat and orderly a fashion as possible, and shall under no circumstances be left on any other Lots, Common Areas or roadways.

Section 6.3. Terrain Management.

(a) On-Site Detention. Owners are required to construct on-site detention areas to intercept and contain all runoff from developed impermeable surfaces, or, where soils and slope permit, alternatively, use water harvesting swales to harvest run-off water to apply beneficial water to vegetation or gardens. If used instead of on-site detention, swales must be included into the initial design concept for site development and terrain management. The Owner should consult a registered engineer regarding the size and location of detention areas and water harvesting swales. Based on the Lot, the driveway, the soil and Improvements or Structures proposed, the Lot Owner may, need the following: (1) holding ponds, (2) walled courtyard areas to retain runoff, or (3) the use of dry wells, to reduce the effect of potential increased runoff within each Lot. The Lot Owner, not the ACC or the Declarant, shall be responsible for the proper engineering of these items and neither the ACC, the Association or the Declarant shall be liable to any Owner or any other person, association or entity, for any damage, loss or prejudice suffered or claimed on account of the approval or disapproval of any plan.

(b) Sloping. Portions of Lots may have areas with slopes of 8% or greater. The Owners of such Lots shall be responsible for grading to allow for leach fields to be constructed in areas with a slope less than 8% on each of these lots. The leach fields should be designed and constructed parallel to the contour lines of the subject Lot. Certain Lots may have slopes of 25% or greater. The Owners of such Lots must give consideration to the slope of these lots when designing the required detailed Development Plan. The Declarant makes no warranty or representation that all locations on the Lot are suitable for all house (or septic) designs or sizes or plans. The Lot Owner bears all risk and responsibility for not consulting geotechnical and civil engineers and the Lot Owner's licensed contractor regarding the siting and construction needs for buildings, roads and installation of septic systems on the Lot.

(c) Prohibition Against Building in 100-Year Flood Plain. A portion of some Lots may be located in Flood Hazard Zone A (a special flood hazard area inundated by the 100-year flood; no base flood elevations have been determined) designated on Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM) 35043C0925C (effective July 16, 1996). There will be no construction of any Improvements in Flood Zone A unless FEMA approves a map revision allowing such construction to take place or until such time that Sandoval County approves a flood plain development permit that meets with the Federal Flood Insurance Program and the County Flood Damage Prevention Ordinance.

(d) Soil Considerations. Each Owner will be responsible for implementing measures necessary to overcome any soil and/or topographic limitations associated with construction of a building pad, vehicular entrance, access drive and septic tank absorption fields for such Owner's Lot. The Soils will vary depending on the specific lot, and in some instances a particular lot may have multiple soil types. Each Owner should consult geotechnical and civil engineers and the Owner's licensed contractor regarding the siting and construction needs for buildings and roads and for installation of septic systems with respect to such Owner's Lot.

Section 6.4. Single-Family Residential Structures. All Structures on Single-Family Residential Lots shall be subject to the following requirements, and each enumerated item must be included in the Development Plan submitted and approved in writing by the ACC prior to the commencement of construction. Once approved, no Structure or Improvement may vary from the Development Plan without further approval of the ACC.

(a) Setbacks. All House Structures are subject to a twenty-five (25) foot setback requirement from any Lot line. Other Structures, including yard walls and fences, are subject to a two (2) foot setback from the Lot line. The ACC shall have the right to impose additional and/or modified setback requirements from all Lot lines due to topographical or other considerations at the ACC's discretion so long as such additional and/or modified setback requirements are in compliance with applicable law.

(b) Minimum Floor Areas. All Single-Family Residential Units shall have a floor area of not less than eighteen hundred (1800) square feet, exclusive of portals, porches (open and closed), patios, garages, carports, balconies or decks.

(c) Subdivision Design and Architectural Style. All Structures and Improvements shall be constructed in Southwestern Traditional or Southwestern Modern or New Mexico Pueblo, New Mexico Territorial, or

Spanish Mission building styles, utilizing traditional materials, including adobe and/or stucco in natural earth-tones or other colors approved in writing on a case-by-case basis by the ACC. Hereafter, these elements shall be referred to as the "Subdivision Design and Architectural Style". The ACC shall have the right to impose limitations on the design and architectural style of Structures and Improvements, including, but not limited to, the overall design, the exterior color, building materials and roofing materials to be used in all Structures and Improvements, consistent with Subdivision Design and Architectural Style. The ACC will keep stucco color charts with acceptable colors, which may, with the advent of new manufacturers and colors, be updated from time to time.

(d) Height Limitations. The following height limitations shall apply unless varied or modified by the ACC. The height limitation of Single-Family Residential Lots is 17 feet from average natural grade. This can be accomplished by establishing the house footprint on the topography and averaging four corners of the building which establish the approved average natural grade elevation. However, the ACC shall have the right to vary the height limitation on a Lot by Lot basis in an attempt to preserve lines of sight and views enjoyed by neighboring Lots and to insure adherence to the Subdivision Design and Architectural Style. (This may not be possible in every case and the ACC has discretion to impose height limitations it deems reasonable under the circumstances). Two-story residences will not be allowed on ridge Lots. Two-story construction may be allowed on a case-by-case basis by the ACC for Lots with lower topography where the Owner can demonstrate that the additional height of the Structure will not adversely affect the view from surrounding Lots.

(e) Private Liquid Waste Disposal Systems. Private liquid waste disposal systems shall be constructed or allowed to remain or to be used on any Lot only when approved as to design, capacity, location and construction by all appropriate public health agencies including the State of New Mexico Environmental Improvement Board and approved in writing by the ACC. The New Mexico Environment Department limits the maximum amount of daily sewage flow, based on the total design flow of the septic system that can be disposed of on each lot depending on the lot size. With respect to Lots designated for Single-Family Residential Use, the current restrictions are as follows:

# of Bedrooms	TOTAL DESIGN FLOW (gallons per day)	MINIMUM LOT SIZE REQUIRED (acres)
2 bedrooms	Less than 375	0.75
3 bedrooms	375	0.75
4 bedrooms	450	0.90
5 bedrooms	600	1.20
6 bedrooms	750	1.50

Due to this limitation, the number of occupants per each lot is limited. For example, lots with an area of less than 0.90 acres will be limited to a three-bedroom house occupied by a maximum of five residents. Owners should review the current New Mexico Environment Department regulations and guidelines for specifics regarding the aforementioned restrictions.

No Lot Owner may place a drain field within two hundred feet of any well.

(f) Garbage Containers. The ACC shall have the right to require each Owner to specify a specific location for trash service, and shall require each Owner to construct a permanent facility of acceptable design and materials at such approved location for the placement of garbage containers for collection purposes. Each Lot Owner will be responsible for placing solid waste in plastic bags and contracting with an independent trash removal service or taking the waste to the Sandoval County landfill site.

(g) Tanks, Air Conditioners and Swamp Coolers. The ACC shall have the right to approve the location of any tank, air conditioner, swamp cooler or any other mechanical equipment used or proposed in connection with a House or Other Structure. All tanks, mechanical equipment, air conditioners, and swamp coolers shall be screened

with a four-sided full height stucco wall or parapet so as not to be Visible From Neighboring Property, or from any street, road, easement or right-of-way. Oil or gasoline tanks are prohibited on any Lot.

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

(1) Permitted Lighting. All Fixtures must use incandescent sources only, and must be shielded to minimize Light Pollution. Fixtures must be Fully Shielded if 60 watts or more. Fixtures must be Partially Shielded if less than 60 watts. Temporary seasonal decorative lighting may be Unshielded if very low wattage.

(2) Prohibited Lighting. No street lamp, security lights (except for automatic security lights) or neon arc lamps will be permitted. All exterior lighting must be shielded so that the actual light bulbs are not visible. Automatic security lights (spot lights) are allowed; however, they must be pointed downwards and not exceed 100 watts. Timers or motion sensors must be adjusted for minimum distance and duration. Exterior lighting shall be installed so as to minimize glare. No mercury or sodium vapor or high intensity lights are permitted on any Lot. Exterior spot or floodlights must be shielded and aimed so as to present a minimum of illumination to other Lots and roads. All reasonable precautions shall be taken to avoid such lighting arrangements as would be offensive to a reasonable neighbor. Neither excessive numbers of Fixtures nor excessive light levels will be permitted; and all Fixtures, including Security Lighting, must be shielded to prevent Light Trespass. The following types of lighting are prohibited: Neon/Argon/Krypton Tubes, High Intensity Lights, Mercury Vapor Lights, Sodium Vapor Lights, Metal Halide Lights, Laser Lights, Searchlights, and Quartz Lamps. For the purpose of these standards, quartz lamps are not considered incandescent light sources. Fluorescent light sources are also prohibited, unless explicitly approved by the Architectural Control Committee.

The ACC may establish and publish further guidelines to be followed with respect to exterior lighting.

Section 6.5. Multi-Family Structures. To the extent certain Lots are designated as Multi-Family Use Lots, as permitted by Section 3.2 and Section 3.3(b), such Multi-Family Use Lots shall be subject to Sections 6.4 (c), (f), (g) and (h) above as well as the following requirements. Each enumerated item must be included in a Master Development Plan for the Lot submitted and approved in writing by the ACC prior to the commencement of construction. Once approved, no Multi-Family Structure or Improvement may vary from the Development Plan without further approval of the ACC.

(a) Setbacks. All Multi-Family Structures are subject to a fifteen (15) foot setback requirement from any dedicated road and from any Lot line, except to the extent approved by applicable law for shared common walls in which case the structures may be built to the Lot line shared with another structure. Other Structures, including yard walls and fences, are subject to a two (2) foot setback from the Lot line. The ACC shall have the right to impose additional and/or modified setback requirements from all Lot lines due to topographical or other considerations at the ACC's discretion so long as such additional and/or modified setback requirements are in compliance with applicable law.

(b) Minimum Floor Areas. Each dwelling unit within a Multi-Family Structure shall contain no less than 1000 square feet, exclusive of portals or porches (open and closed patios, garages, carports, balconies or decks).

(c) Subdivision Design and Architectural Style. All Multi-Family Structures and Improvements shall be constructed in Southwestern Traditional or Southwestern Modern, New Mexico Pueblo, New Mexico Territorial, or Spanish Mission building styles, utilizing traditional materials, including adobe and/or stucco in natural earth-tones or other colors approved in writing on a case-by-case basis by the ACC. Hereafter, these elements shall be referred to as the "Subdivision Design and Architectural Style". The ACC shall have the right to impose limitations on the design and architectural style of Structures and Improvements, including, but not limited to, the overall design, the exterior color, building materials and roofing materials to be used in all Structures and Improvements, consistent with Subdivision Design and Architectural Style. The ACC will keep stucco color charts with acceptable colors, which may, with the advent of new manufacturers and colors, be updated from time to time.

(d) Height Limitations. The following height limitations shall apply to Lots designated for Multi-Family Use, unless varied or modified by the ACC. The height limitation of Multi-Family Lots is 17 feet from average natural grade for one story buildings and 22 feet from average natural grade (or existing grade where a Lot has been

prepared by Declarant) for two-story buildings, to the extent a two-story building is approved by the ACC. This can be accomplished by establishing the footprint on the topography and averaging the four corners of the building. However, the ACC shall have the right to vary the height limitation on a Lot by Lot basis in an attempt to preserve lines of sight and views enjoyed by neighboring Lots and to insure adherence to the Subdivision Design and Architectural Style. (This may not be possible in every case and the ACC has discretion to impose height limitations it deems reasonable under the circumstances). Two-story buildings will not be allowed on ridge Lots.

(e) Private Liquid Waste Disposal Systems. Unless the Town of Bernalillo municipal sewer system is extended to such Lot, the Owner of a Lot designated for Multi-Family Use must submit plans to the New Mexico Environment Department for the proposed private waste disposal system for the Lot and shall be subject to specific private liquid waste disposal restrictions as determined thereby, and by the Development Plan. No drain field shall be located within two hundred feet of any well.

Section 6.6. Trees, Shrubs and Landscaping. Landscaping and site-grading plans are a mandatory element of each Development Plan and must comply with this Declaration. At minimum, basic restoration of natural grasses or plantings is required either through the use of hydro seeding/planting or a combination of the two. This work will be required prior to refund of the compliance deposit. The ACC shall have the right to approve the removal and/or addition of trees, shrubs, hedges, ground cover and all other landscaping. There shall be no disturbance of trees or other ground cover during construction without the written approval of the ACC.

Section 6.7. Windmills, Towers, Antennas, Sports Equipment and the Similar Items. No windmills or towers will be allowed in any Subdivision. No visible antenna or satellite dishes, with the exception of approved dishes not more than twenty (20) inches in diameter, or other service for the transmission or reception of television signals, radio signals or other form of electromagnetic radiation shall be erected, used or maintained on any Lot, whether attached to a building or Structure or otherwise, without prior approval of the ACC. No radio signals, television signals or any other form of electromagnetic radiation shall originate from any Lot which may unreasonably interfere with the reception of any television or radio signal on any other Lot. Satellite dishes less than twenty (20) inches in diameter must be installed so as to be as inconspicuous as possible in its approved location to minimize visual impact. Associated cables or other appurtenants must be camouflaged and the proposed method of doing so must be submitted to the ACC for written approval prior to installation. Metal vents shall not exceed twelve (12) inches off of the parapet and shall be painted to match. Sports equipment and structures, including but not limited to basketball hoops, volleyball nets, and tennis courts, as well as swing sets and other play equipment and structures, will be approved or not approved on a case-by-case basis and may require additional remediation or plantings, hours of operation or other conditions imposed by the ACC at the ACC's discretion.

Section 6.8. Underground Utility Lines. No utility lines, including, but not limited to, wires or other devices for the communication or transmission of telephone or electric current or power, cable television or any other type of line or wire shall be erected, placed or maintained anywhere in or upon any property within Petroglyph Trails, by any Owner other than Declarant, or a developer developing an Area purchased from Declarant, or unless the same shall be contained in conduit or cables installed and maintained underground or concealed in, under or on buildings or other Structures as approved in writing by the ACC.

Section 6.9. Temporary Structures. No trailer, mobile home, basement of any incomplete building, tent, shack, garage or barn and no temporary building of any kind shall be utilized at any time for a residence on any portion of the Property either on a temporary or permanent basis.

Section 6.10. Outbuildings. Acceptable outbuildings for Single-Family Residential Lots shall include a garage for not more than three vehicles and either a studio, a small guesthouse or workshop. Outbuildings for any Lot designated for Multi-Family Use are subject approval by the ACC on a case-by-case basis. Any proposed outbuildings must be included in the Development Plan and approved in writing by the ACC and any applicable government agencies. Storage sheds on Single-Family Residential Lots are only allowed if concealed by a courtyard wall and approved in writing by the ACC. No storage sheds of any kind will be allowed on any Multi-Family Lots.

Section 6.11. Signs. No "For Sale" or "For Rent" signs shall be erected or maintained on any Lot or Area within Petroglyph Trails, unless approved in writing by the ACC or otherwise consistent with any signage rules that may

be issued by the ACC. The foregoing provision shall not apply to the Declarant who may erect signs as Declarant deems appropriate in connection with its construction and marketing activities.

Section 6.12. Improvements and Alterations. No Improvements (including without limitation any House Structure, Multi-Family Structures, or Other Structures, alterations, repairs, excavations or other work which in any way alters the exterior appearance of any House Structure or Multi-Family Structure or Other Structure on any Lot within Petroglyph Trails) or the alteration of any Improvements located on a Lot from its natural or improved state existing on the date such Lot was first conveyed in fee to the current Owner or Purchaser or annexed by Declarant, whichever is later, shall be made or done without the prior written approval of the ACC.

Section 6.13. Solar Equipment. Request for approval of installation of any type of solar equipment shall be included in the Development Plan and must be approved in writing by the ACC.

Section 6.14. Chemical Fertilizers, Pesticides or Herbicides. No commercial chemical fertilizers, pesticides or herbicides other than those approved by the ACC shall be used on any of the Property. This provision in no way limits the use of those products which are readily available for consumer use and approved by an agency, such as the Food and Drug Administration, for the purpose intended.

Section 6.15. Access to Common Properties. No Owner (other than Declarant) shall construct or cause to be constructed any ramps, paths, roads, walls, private streets or other access, from or over a Lot or Common Property or roadway to any other Lot, to the Common Property, or to any contiguous lands outside the Property, unless the same is approved in writing by the ACC and (if the Declarant still owns any Lots) the Declarant. Declarant has the right in its sole discretion, without the consent or approval of Owners of Areas or Lots, to give itself or others access through any Lot or tract within the Subdivision owned by Declarant or any of its principals to any other Lot, or to any Common Property, or to contiguous lands outside the Property (and to construct any ramps, paths, roads, walls, private streets or other access, in connection with the same). Developers to whom Declarant has sold an Area do not have such rights.

Section 6.16. Water Cooperative/Possible Town of Bernalillo Municipal System. Declarant has arranged for water to be supplied to the Lots within Petroglyph Trails by the Anasazi Trails Water Cooperative (the "Water Cooperative"). Declarant has, or will, obtain certain water rights for the Anasazi Trails Water Cooperative as needed to provide water service to each Lot within each Area. Declarant has reserved the right to limit, or reduce, usage of the water rights it has deposited with the Water Cooperative to 0.285 gross acre feet of diversion water per Single-Family Lot per year, provided the New Mexico State Engineer's office approves the same. Declarant has, or will, install the necessary additional storage tanks, pumps and controls, and shall install the distribution pipes to bring water from the Water Cooperative to the property line of each Area to be served by the Water Cooperative, and either Declarant if it is developing said Area, or the developer to whom Declarant has sold such Area, shall extend said distribution pipes to the Lot line of each Lot within such Area. Each Lot Owner shall automatically become a member of the Water Cooperative and shall be required to abide by the Water Cooperative's articles of incorporation and by-laws and subsequent amendments thereto, as well as any rate schedule set forth by the Water Cooperative.

As set forth by the Water Cooperative By-Laws, Delashe Investments, LLC may require that Owners reimburse Delashe Investments, LLC for a portion of its expenses in establishing the Water Cooperative and designing, constructing and extending the community water system. As well, Delashe Investments, LLC has reserved the right in its sole discretion to expand such water system and the Water Cooperative to include other lands outside of the Anasazi Trails and Anasazi Meadows Subdivisions, and now Petroglyph Trails.

Notwithstanding the foregoing, Declarant (and in some cases a developer to whom Declarant has sold an Area, with Declarant's written consent) may elect to have some or all Areas annexed by the Town of Bernalillo and, if that occurs, Declarant (or such developer) may also elect to have such Areas hook up to the Town of Bernalillo municipal system rather than be served by the Water Cooperative. If that election is made, municipal water will be supplied to each applicable Single-Family Lot line by either Declarant or by the developer to whom Declarant has sold the applicable Area(s), and the Owners of said Lots would not be members of the Water Cooperative.

Further, Declarant (and some individual developers, with Declarant's written consent) may make individual decisions regarding the use of Water Cooperative water or Town of Bernalillo municipal water for Multi-Family and Commercial/Light Industrial Use Areas and who will pay the cost thereof. Similarly, Declarant has reserved the right to

limit or reduce water usage to such Multi-Family and Commercial/Light Industrial Use Areas which use Water Cooperative water.

Section 6.17. Water Conservation/Fire Protection/Water Quality. Owners are responsible for complying with all applicable governmental rules and regulations, including those of Sandoval County, if applicable the Town of Bernalillo, and the Office of the New Mexico State Engineer, with regard to water conservation. In addition, the following conservation measures are noted:

(a) Requirements. To the extent water is supplied by the Water Cooperative, the maximum amount of water rights initially allotted for each single-family home (including outdoor use) will be limited to .3826 acre feet per household per year, which calculates to an average of 10,248 gallons per 30-day month. However, Declarant has reserved the right to reduce that usage amount to .0285 acre feet per household per year based on a water demand analysis from AGW Consultants, provided the New Mexico State Engineer's office approves the same. Each single-family home supplied by the Water Cooperative shall be individually metered and monitored. Households shall be limited to not more than 600 square feet of turf, and plantings can only be made in areas adjacent to the house. To the extent any Lots are designated for Multi-Family or Commercial/Light Industrial Use, and such Lots are supplied water by the Water Cooperative, such Lots shall also be subject to limitations and metering requirements established by the Water Cooperative. The only water use permitted by Single-Family Residential Lots is: (1) for domestic uses normally associated with a residential use; (2) for recreational uses sponsored by the Association if conducted in compliance with this Declaration; (3) for home occupations if conducted in compliance with this Declaration; (4) for fire protection; and (5) for the Common Facilities if the Declarant chooses in its sole discretion to establish such facilities. Additionally, the ACC requires the installation of low flow toilets and similar devices in all new construction. With respect to water quality, each Single-Family Residential Lot Owner and the Owner of each dwelling unit within Multi-Family Use Structures shall install a reverse osmosis point-of-use water treatment system. Such system need only provide a separate spigot, for drinking water only, usually in the kitchen of each dwelling unit.

(b) Encouragements. The following are encouraged: a selection of grasses that are well adapted to local climatic conditions, low water use landscaping, techniques applying the principles of xeriscape, drip irrigation whenever possible, water conserving plumbing, fixtures, water softeners of the type that monitor water changes in hardness to minimize regeneration, water harvesting from rooftops into courtyards or underground cisterns to be used for irrigation (see state regulations regarding cisterns), irrigation with rain water collected by means confined to the property with recycled household graywater. Graywater systems shall meet the requirements of the New Mexico Construction Industries Division and the Uniform Plumbing Code. Instruments to facilitate water conservation and fire protection are strongly encouraged.

(c) Discouragements. The following are discouraged: Decorative ponds, waterfalls and fountains, as they allow evaporation to occur, and non-native grasses with high water requirements such as Kentucky Bluegrass and tall fescue.

(d) Hot Tubs and Pools. Hot Tubs and pools are allowed but should have covers that minimize evaporation and loss. Further, pools must be filled by water delivered to the subject Lot and may not be filled using Water Cooperative water. Lots, if any, served by the Town of Bernalillo municipal water system will be subject to any rules or ordinances or the Town of Bernalillo regarding water usage.

(e) Fire Station. Sandoval County owns Phase 1-A within Petroglyph Trails and has built a fire station thereon. Although Sandoval County, as owner of said Phase 1-A, is not a member of the Association it is a member of the Water Cooperative. Sandoval County uses Water Cooperative water in connection with the fire station building and in connection with its use of the fire hydrants throughout Petroglyph Trail.

ARTICLE VII

RESTRICTIONS

Section 7.1. Animals-Household Pets. No animals, including pigs, hogs, swine, poultry, fowl, wild animals, horses, cattle, sheep, goats or any other type of animal not considered to be a domestic household pet within the ordinary meaning and interpretation of such words may be kept, maintained or cared for on the Property. No animal shall

be allowed to make an unreasonable amount of noise, or to become a nuisance, and no domestic pets will be allowed on the Property other than on the Lot of its Owner unless confined to a leash or under voice control. Upon written request of any Owner, the ACC shall conclusively determine at its sole discretion, in accordance with its rules, whether an animal is a domestic household pet, whether an animal is being allowed to run at large or whether an animal is a nuisance. Upon receiving a complaint, the ACC may refer the matter to the Sandoval County Animal Control for resolution. Any decision of the ACC in such matters is final, conclusive and shall be enforced as other restrictions contained herein. No animal may be stabled, maintained, kept, cared for or boarded for hire or remuneration on the Property and no kennels or breeding operation will be allowed. No animal shall be allowed to run at large and all animals shall be kept within an enclosed area which must be clean, sanitary and reasonably free of refuse, insects and waste at all times.

Section 7.2. Non-Disturbance of Natural Vegetation and Maintenance of Lawns and Plantings. No Owner shall cut, tamper, destroy or remove any living pinon or juniper tree on any Lot except pursuant to the Development Plan for said Lot approved in writing by the ACC. Each Owner shall keep all shrubs, trees, grass and planting of every kind on his Lot, which are Visible From Neighboring Property, or from a dedicated road, Common Property or Common Facility, properly cultivated, pruned and free of trash and other unsightly material. Declarant, the Association and the ACC shall have the right at any reasonable time to enter upon any Lot to replace, maintain and cultivate shrubs, trees, grass or other plantings located thereon, at cost to Owner.

Section 7.3. Clothes Drying Facilities. Outside clothes lines or other facilities for drying clothes or airing clothes shall not be erected, placed or maintained on any Lot unless they are concealed in such a manner so as not to be Visible From Neighboring Property or from streets or from access roads.

Section 7.4. Hunting/Trapping/Firearms and Explosives. Hunting, trapping and discharge of firearms or other explosives are expressly prohibited within Petroglyph Trails.

Section 7.5. Dumping. Dumping of ashes, trash, rubbish, sawdust, garbage, landfill, solid waste and any type of refuse and other unsightly or offensive material is expressly prohibited within Petroglyph Trails.

Section 7.6. Waste. The commission of waste is expressly prohibited within Petroglyph Trails.

Section 7.7. Mineral Exploration. No mining, quarrying, tunneling, excavation or drilling for exploration or removal of any minerals including oil, gas, gravel, rocks, earth or earth substances of any kind shall be permitted within Petroglyph Trails.

Section 7.8. Business Activities. No business or commercial activity frequented by and open to the general public (and in any event no business or commercial activity which takes place out of doors, including yard and/or garage sales), and no business or commercial activity that creates a nuisance, shall be conducted within any Single-Family or Multi-Family Use Lot within Petroglyph Trails. Home occupations by the Owner or occupant of a Single-Family Residential Unit or a unit within a Multi-Family Structure are permissible if conducted in the home, unit or studio and in compliance with any rules and regulations governing home occupations hereafter adopted by the ACC. Nothing contained herein shall be deemed to prevent the rental or leasing of a Single-Family Residential Unit or units within Multi-Family Structures, by the Owner thereof, subject to all of the provisions of this Declaration, and provided no such rental is for less than thirty (30) days.

Section 7.9. Obnoxious Activities. No nuisance, obnoxious or offensive activities shall be permitted on any Lot, nor shall any rubbish or debris of any kind be placed or permitted to accumulate on or adjacent to any Lot within Petroglyph Trails, and no odors shall be permitted to arise therefrom, so as to render any such Lot or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Lot in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provision, no exterior speakers, horns, whistles, bells or any other devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot, which are audible from neighboring Lots.

Section 7.10. Garbage. No garbage or trash shall be placed or kept on any Lot except in covered containers located and constructed in accordance with any rules enacted by the ACC. In no event shall such containers be maintained so as to be Visible From Neighboring Property. All rubbish, trash and garbage shall be removed from Lots

and shall not be allowed to accumulate thereon. No incinerator shall be kept or maintained on any Lot. No garbage, trash or debris shall be permitted to be buried on any Lot at any time nor shall the burning thereof be permitted.

Section 7.11. Vehicles and Equipment. No bus, truck larger than a one-ton pickup, semi-trailer, tractor, machinery or equipment shall be kept, placed (except during the course of making deliveries for the purpose of loading or unloading), maintained, constructed, reconstructed or repaired on the Property. No car, truck, motor vehicle or trailer of any type shall be constructed, reconstructed or repaired on the Property in such a manner as will be Visible From Neighboring Property. Motor homes, recreational house trailers, horse trailers, truck campers, boats, boat trailers and recreational vehicles of any sort or type which are intended to be kept on a Lot by the Owner must be garaged. No motorized vehicle of any kind may be operated in any manner which is dangerous, noisy or which creates a nuisance.

Section 7.12. No Overnight Parking. No vehicle of any kind shall be allowed to park overnight on any dedicated roadway within the Single-Family Residential and Multi-Family Use Subdivisions.

Section 7.13. Emergency or Temporary Maintenance Vehicles. The provisions of this Declaration shall not prevent any emergency vehicle repairs or operation of an emergency vehicle, ambulance, etc., within Petroglyph Trails. The provisions of this Declaration shall also not prevent the operation or temporary use of construction vans, trucks and machinery/equipment maintained during and used exclusively in connection with the construction of any Improvement approved in writing by the ACC.

Section 7.14. Motorcycles. The use of motorcycles in Petroglyph Trails shall be limited to those which have been approved and are legal for street use. Such use shall be limited to the public streets. No off-road use of any motorcycles shall be permitted and all motorcycles operated within Petroglyph Trails shall have mufflers installed in good condition, which limits the exhaust noise to no more than eighty (80) decibels, ten (10) feet from the end of the exhaust pipe.

Section 7.15. Continuing Adequacy of Repair or Maintenance. No building or Structure upon the Property within Petroglyph Trails shall be permitted to fall into disrepair, and each such building and Structure shall at all times be kept in good condition and repair and adequately painted or otherwise finished. Such duty to repair shall include the maintenance of any exterior Structures and finish which was included in the Development Plan approved by the ACC.

Section 7.16. Service Yards and Storage Yards. Any service yard, storage yard, woodpile or storage pile shall be located so as not to be Visible From Neighboring Property, dedicated roadways, Common Facilities or Common Property. Any Structure of a permanent nature is to be built with regard to these items and must be included in the Development Plan and approved in writing by the ACC.

Section 7.17. Gates, Walls and Fences. Gates, walls and fences will be permitted on a case-by-case basis with prior approval from the ACC. Owners of Single-Family Residential and Multi-Family Lots may not wall or fence entire Lot lines. All gates, walls, and fences must be described in the Development Plan and approved by the ACC prior to construction. Wooden split rail fencing and coyote fencing may be allowed on a case-by-case basis. No other types of fences will be allowed.

Section 7.18. Horses Prohibited. Horses will not be permitted on individual Lots in Petroglyph Trails.

Section 7.19. Mobile Homes and Modular Dwellings. Mobile homes and modular dwellings are not allowed.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

Section 8.1. Establishment and Composition. There is an Architectural Control Committee ("ACC"), which consists of three (3) permanent members and two (2) alternate members. The following persons are designated as the permanent members:

<u>Position</u>	<u>Name</u>	<u>Type</u>	<u>Address</u>
Office No. 1	Steven M. Gudelj	Permanent	01 Ridge Court Placitas, NM 87043
Office No. 2	Thomas J. Ashe	Permanent	46 Sandia Lane Placitas, NM 87043
Office No. 3	Dustin Gudelj	Permanent	01 Ridge Court Placitas, NM 87043

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

Section 8.2. Voting and Status of Alternate Members. Except as otherwise provided herein, a vote or written consent of a majority of the permanent members of the ACC at a meeting or otherwise shall constitute the act of the Committee. Except as hereinafter provided, alternate members shall not be entitled to vote. In the event of absence or disability of one (1) or more permanent members, the remaining member or members, even though less than a quorum, may designate an alternate member to act or substitute for the absent or disabled permanent member for the duration of such absence or disability. The alternate member so designated shall be entitled to vote in place of the permanent member for whom the alternate member so substitutes. Notwithstanding the foregoing provisions, the ACC is not authorized to act unless at least one (1) permanent member is present or, in the event action is taken without a meeting, unless at least one (1) permanent member consents in writing thereto.

Section 8.3. Terms of Office. The term of each ACC member appointed shall be for a period of three (3) years and thereafter until the appointment of a successor. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned or whose terms have expired may be reappointed. A written list of the current members of the ACC, including names, addresses and telephone numbers, shall at all times be kept in the Committee's records and shall be available to Owners for review during reasonable business hours.

Section 8.4. Appointment and Removal. Except as provided below, the right to appoint and remove all permanent members and alternate members of the ACC at any time, with or without cause, shall be, and hereby is, vested solely in the Declarant. At such time as Declarant has sold all of the Lots or Areas, or at such time as Declarant records a waiver of the right herein retained, whichever event occurs first, then the right to appoint and remove permanent and alternate members of the ACC shall automatically be transferred to the Association in accordance with the By-laws of the Association.

Section 8.5. Resignations. Any permanent member or alternate member of the ACC may resign at any time from the Committee by giving written notice thereof to Declarant or the Association as the situation requires.

Section 8.6. Vacancy. Vacancies on the ACC, however caused, shall be, except as provided in Section 8.4 of this Article, filled by the Board of Directors. A vacancy shall be deemed to exist in cases of death, resignation or removal of any permanent or alternate member.

Section 8.7. Transfer of Authority to the Association. The duties, rights, powers and authority of the ACC constituted hereby may be assigned at any time, at the sole election of the Declarant (or if Declarant has sold all of the Lots or Areas or has recorded a waiver of the rights herein, at the sole election of a majority of the permanent members of the ACC), to the Association, and from and after the date of such assignment, and the acceptance thereof by the Association, the Association shall have full right, authority and powers, and shall be obligated to perform the functions of the ACC as provided herein (and in the By-laws of the Association).

Section 8.8. Address. The address of the ACC shall be 46 Sandia Lane, Placitas, New Mexico 87043, or such other place as may from time to time be designated by the ACC by written instrument recorded in the real estate

records of Sandoval County, New Mexico; and the last instrument so recorded shall be deemed the Committee's proper address.

Section 8.9. Duties.

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

(b) Development Plan Submission Fees. The ACC shall require a nonrefundable ACC Review Fee (payable to the Association) in an amount to be determined by the ACC for the review of each proposed Single-Family Residential Use, Multi-Family Use and Commercial/Light Industrial Use Development Plan (unless a separate architectural control committee with its own requirements is established therefore). The ACC may adjust this fee at the ACC's sole discretion based on the costs associated with the running of the ACC. Such fee is a filing requirement of the Development Plan and such Plan will not be considered unless and until such fee is paid. The ACC shall also require a building compliance deposit to assure compliance of the Improvements with this Declaration and the rules promulgated by the ACC. The ACC may adjust this building compliance deposit at the ACC's sole discretion. The ACC may refund this building compliance deposit after completion of the Improvements if in the ACC's sole discretion the ACC has evidence satisfactory to the ACC that all of the Improvements were completed in compliance with this Declaration. The ACC has the right to spend all or a portion of this deposit, without recourse, to accomplish items not accomplished in a timely manner by the Owner or builder, for example, without limitation, trash removal, damage to neighboring property, attorneys' fees in connection with compliance issues, and other items.

(c) Additional Improvements After a Deposit is Returned. If Improvements still need to be submitted to the ACC even after satisfactory completion of a Development Plan and after the compliance deposit has been returned, the ACC may require a deposit by the Owner for the proposed improvements at the ACC's sole discretion.

Section 8.10. Meetings. The ACC shall meet from time to time as necessary to perform its duties hereunder. Subject to provisions of Section 8.2 above, and except as otherwise provided herein, the vote or written consent of a majority of the permanent members at a meeting or otherwise shall constitute the act of the Committee. The Committee shall keep and maintain written records of all actions taken by it at such meetings or otherwise.

Section 8.11. Action Without Formal Meeting. The ACC, in accordance with Sections 8.2 and 8.10 hereof, may take action without formal meeting by unanimously consenting in writing on any matter, which they might consider at a formal meeting. Such unanimous written consent shall constitute the act of the Committee. For the purposes hereof, unanimous written consent shall mean a writing by the three (3) permanent members of the ACC except as the provisions of Section 8.2 may apply.

Section 8.12. Procedure for Submission and Approval of Development Plan.

(a) Submission of a Development Plan shall be in accordance with the Rules promulgated by the ACC, as authorized by Section 8.14 hereof.

(b) If the ACC fails to approve or disapprove any Single-Family Residential Use Development Plan submitted to it hereunder within thirty (30) days after the date shown on the submittal receipt or fails to give notice of its actions as above required, it shall be conclusively presumed that the ACC has approved such Development Plan as submitted; provided no House Structure or Other Structure or other Improvement shall be erected which violates this Declaration. If the ACC requests additional or amended materials or an amended or modified Development Plan during the initial thirty (30) day period, or approves on condition that certain additional or amended materials be submitted, the ACC shall set a deadline for delivery of such additional or amended materials and the ACC's review period shall automatically be extended to fifteen (15) days following the date upon which such additional or amended materials are received by and accepted for by the ACC, provided they are delivered before the deadline imposed by the ACC. Additional fifteen (15) day extensions shall occur if further additional or amended materials are requested or required during any subsequent extension period. If the additional or amended materials are not received on or before the required date, then the Development Plan shall be automatically disapproved. Multi-Family and Commercial/Light Industrial Use

Development Plans, and Development Plans submitted by the purchaser of an entire Area, which are subject to review by the ACC, shall be reviewed and approved in a timely manner but shall in no event be deemed automatically approved.

Section 8.13. Waiver and Estoppel. The approval by the ACC of any Development Plan, specifications or drawings or any materials accompanying it for matters requiring approval of the ACC shall not be deemed to constitute a waiver of or create any right of estoppel against the Committee's right to withhold approval of any similar Development Plan, drawing, specification or matter subsequently submitted for approval.

Section 8.14. ACC Rules. The ACC shall have the authority to adopt, amend, add to, replace and rescind, from time to time, procedural and/or substantive rules to make them more definite and certain, and to carry out the purpose of and intent of the provisions of this Declaration. Any conflict between such rules and any provision of this Declaration shall be resolved in favor of the provision of this Declaration. A copy of such rules as in effect from time to time shall be provided to any Owner requesting the same in writing; provided that the failure to deliver a copy of any such rules, or the failure of the ACC from time to time to adopt any such rules shall not in any manner inhibit or impair the requirement that a Development Plan be approved by the ACC prior to construction or any other provision of this Declaration.

Section 8.15. Basis for ACC Approval or Disapproval. Petroglyph Trails is intended by Declarant to be a unique and cohesive development composed of the highest quality and elegant appearance. Toward this end, it is intended that the ACC have the greatest degree of discretion possible in reviewing, approving or disapproving Development Plans. Declarant intends that the ACC shall have the right to consider as the basis for any approval or disapproval of a Development Plan: (a) compliance or noncompliance with certain objective standards set out in this Declaration or in any rules or guidelines subsequently published or adopted by the ACC; (b) the nature and quality of the building materials and methods of construction to be used; (c) the location of the proposed Structures or Improvements on the Lot; (d) the visual impact of the proposed Structures or Improvements from the standpoint of style and consistency with other Structures or Improvements constructed or approved by the ACC for construction in the Subdivision; (e) the experience and expertise of the general contractor; and (f) such other subjective factors as the ACC shall, in its discretion, deem relevant or appropriate. ANY PERSON PROPOSING TO PURCHASE ANY LOT IN PETROGLYPH TRAILS IS CAUTIONED TO CONSULT WITH THE ACC CONCERNING INTENDED IMPROVEMENTS PRIOR TO BECOMING UNCONDITIONALLY OBLIGATED TO PURCHASE SUCH LOT. THE PURCHASE OF AN ENTIRE AREA BY A DEVELOPER SHALL NOT RELIEVE SUCH DEVELOPER OF ITS OBLIGATION TO OBTAIN ACC APPROVAL OF ITS DEVELOPMENT PLAN AND SUCH DEVELOPER SHALL NOT BE DEEMED AS A SUCCESSOR OR ASSIGNEE OF DECLARANT IN THAT REGARD.

Section 8.16. Decisions Conclusive. All decisions of the ACC shall be final and conclusive, and no Owner or any other person, association or entity shall have any recourse against the ACC, or any member thereof, for its or such member's approval or refusal to approve all or any portion of a Development Plan or of any materials submitted therewith, or for any other decision rendered under the authority of this Declaration.

Section 8.17. Limitation of Liability of the Declarant, the ACC and the Association.

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

any way limiting the generality of any of the foregoing provisions of this Section, the ACC, or any member thereof, may, but is not required, to consult with or determine the view of any other Owner with respect to any Development Plan, or any materials submitted to the ACC.

(b) Regarding Soils Characteristics. Whether the soil, or a certain site on the Lot, is suitable for the design of the house that the Lot Owner ultimately builds depends on the footing and foundation design and plans used for construction on the Lot. Declarant (and its members and officers and agents and contractors) and the ACC and its members and the Association and its members make no warranty or representation that the soil characteristics, and all locations on the Lot, are suitable for all house designs, sizes, plans, liquid waste disposal systems or drainage/detention plans. Neither does Declarant (or its members or officers or agents or contractors) or the ACC or its members or the Association or its members make any warranty or representation regarding any specific house design, size or plan. The suitability of the soils and the construction needs based on the soils will vary depending on the specific Lot, location of the house or disposal system, and house design, size, or plan. The Lot Owner bears any and all risk and responsibility resulting from not consulting geotechnical and civil engineers and the Lot Owner's licensed contractor regarding the siting and construction needs for buildings, roads and installation of septic and drainage/detention systems on a Lot. From time to time, the Declarant may construct a building pad or a driveway on a Lot as a sales tool. Such a site pad or driveway does not constitute site preparation or final grading that may be needed, and neither Declarant nor its members or officers or agents or contractors are responsible for such site pad in any way, and the Owner of a Lot with such a site pad shall bear any and all risk and responsibility associated with the soil on said Lot. The Owner should consult with a geotechnical and/or civil engineer and the Owner's licensed contractor regarding the site pad and driveway and any testing that may be required to prove suitability for construction of Improvements. The provisions of this section apply equally to Multi-Family and Commercial Lots, unless such Areas or Lots have been subjected to their own separate architectural control committee and covenants.

(c) Scope of Limitation. The limitations of liability in this Section 8.17 include all types of liability, including the negligence, gross negligence and reckless conduct of such entities, with the exception of consciously willful conduct with the intent to injure.

Section 8.18. Modifications and Waivers or Variance. The ACC, upon such terms and conditions, upon the payment of such fees or expenses, and for such procedures as it may prescribe, may, but is not required to, adopt, review and approve or disapprove, in whole or in part, with or without conditions, applications for the modification or waiver or variance of those requirements herein over which, according to this Declaration, the ACC has authority, or any requirement of the ACC rules applicable to any Improvement or use of, in, on or abutting any Lot. Such applications shall contain such information as the Committee may prescribe and shall affirmatively show that the application of such requirements, under the circumstances, creates unnecessary and undue hardship, and that a modification or waiver or variance will not be detrimental (aesthetically, economically or otherwise) to the Owner of any other Lot. The Committee may decide the matter upon the application with any materials or written statements accompanying it or may allow oral presentations in support of or in opposition to the application prior to the decision, at its sole discretion. The Committee shall render a decision in writing, which decision need not contain any reasons, findings or conclusions for the decision and shall forward one (1) copy to the applicant, and retain one (1) copy in its records and have the variance filed of record. Without limiting the general applications of this Section 8.18, the provisions of Section 8.15 and Section 8.16 of this Article shall apply to the actions and the decisions of the Committee and its members under this Section.

Section 8.19. Governmental Agency Approval. Nothing in this Declaration shall relieve or be interpreted as purporting to relieve any Owner from also securing such approval(s), certificate(s) or permit(s) of any governmental agency or entity with jurisdiction as may be required by law as a condition to the commencement, construction, maintenance, addition, change or alteration to or of any Improvement, and the Committee may require that a copy of such approval(s), certificate(s) or permit(s) be provided to the Committee as a final condition to approval of a Development Plan, or as additional insurance to the Committee that the Improvements and uses of an approved Development Plan meet governmental requirements, or for both such purposes.

Section 8.20. Receipt Indicating the Return of the Compliance Deposit. Upon completion of a House Structure or Other Structure or other Improvement, the plans and specifications of which have been approved by the ACC, and upon written request by the Owner of the Lot, the ACC shall issue a receipt indicating the return of the compliance deposit. The return of the compliance deposit and the receipt therefore shall not be construed to certify the acceptability, sufficiency or approval by the ACC of the workmanship of the actual construction of the Structure or

Improvement or of the materials used therein nor of any compliance with any law or authority, but merely the adherence to the restrictive covenants at that time. The Owner is hereby notified that the ACC in no way warrants the sufficiency, acceptability or approval by the ACC of the workmanship, materials or equipment of the Structure or Improvement or of its compliance with any law or other authority.

Section 8.21. Assessments and Liens for Non-Compliance with the Declaration or the Development Plan. All Development Plans approved in writing by the ACC must be complied with strictly, and any deviation, change or alteration not in compliance with said Plan must be further approved in writing by the ACC. Violation hereof shall be subject to enforcement in accordance with the provisions of this Declaration. After notice and a hearing in accordance with the procedures set forth in Section 10.10, the ACC may (1) impose sanctions by means of a fee or fine for violation of this Declaration or the approved Development Plan, and the ACC may impose a fee or fine which may accrue periodically, for example, on a weekly basis (the amount and timing of which is at the sole discretion of the ACC) until the violation ceases; or (2) go onto the Lot and red-tag the construction or other work that is in violation of this Declaration or of the approved Development Plan, which red-tagging immediately requires the construction or other work to cease; or (3) do both 1 and 2 in this sentence, and/or may take any other enforcement action set forth in Section 10.10. Pursuit and imposition of one remedy shall not preclude the pursuit and imposition of any other remedy. Such fine or assessment shall constitute an assessment for the purpose of Article X of this Declaration and a lien upon the Lot as provided in Article X. The ACC shall not be obligated to take any enforcement action if the ACC determines in the ACC's sole discretion that the costs of such enforcement proceedings outweigh the benefits of the enforcement proceedings. Such a decision shall not be construed as a waiver of the right of the ACC, and or as otherwise estopping the ACC from subsequently enforcing such provision or any other provision in this Declaration.

Section 8.22. Multi-Family and/or Commercial/Light Industrial Use Architectural Control Committees. At the Declarant's sole discretion, Declarant may exclude any portion of the Property designated pursuant to this Declaration, or otherwise, for Multi-Family and/or Commercial/Light Industrial Use from the control of the ACC and, instead, make such property subject to its own Architectural Control Committees which shall govern the proposals, plans, complaints, requests for determination, Development Plans or other matters submitted pursuant to the terms of their own covenants.

ARTICLE IX

PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION

Section 9.1. The Association. Declarant has caused or shall cause the formation and incorporation of the Association as a nonprofit corporation organized and existing under the New Mexico NonProfit Corporation Act, charged with the duties and vested with the powers prescribed by law and set forth in the Articles of Incorporation, By-laws, and this Declaration. Neither the Articles of Incorporation nor the By-laws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 9.2. Membership. Each Owner (whether one or more persons or entities) of a Lot shall, upon and by virtue of becoming such Owners, automatically become a Member of the Association and shall remain a Member thereof until the Owner's ownership ceases for any reason, at which time the Owner's Membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of Membership in the Association, and no certificate of Membership will be issued. Declarant may contribute but shall not be obligated to pay membership dues or any other assessments by the Association, but shall have all rights of a Member.

If an entire Area is owned by Declarant, or by a developer who has purchased such Area from Declarant, and such Area has not yet become the subject of a final plat creating specific Lots, the Owner of such Area, whether Declarant or such developer, shall be a member of the Association, but for purposes of such membership shall be deemed to own as many lots as are depicted on the Phasing Plan of such Area (see **Exhibit A** hereto) until such time as the final plat thereof is recorded. Once the final plat of such Area is recorded, its Owner's membership shall be appurtenant to the Lots as shown on the final plat until such Lots are sold or otherwise conveyed thereby. Any reference to a Lot or Lots in this Declaration shall in the case of Declarant, or such developer, refer to either the Phasing Plan or Final Plat of the lots it owns as described above, whichever is applicable.

Sandoval County, which owns Phase 1-A and has built a fire station thereon is not a Member of the Association.

Section 9.3. Voting. Until the Declarant has sold all of the Lots or Areas it owns within Petroglyph Trails (and in the case of an Area purchased by a developer, until such developer has in turn sold all Lots within such Area), or until Declarant or such developer has recorded a written waiver of the rights herein, the Declarant and each such developer shall be entitled to cast three (3) votes for each Lot it owns. Subject to the provisions of Section 9.5, all other Members of the Association in good standing shall be entitled to one (1) vote for each Lot owned at any meeting of Members of the Association or with respect to any matter submitted to a vote of the Members of the Association that affects all Lot Owners. If more than one person holds an interest in any Lot, all such persons shall be Members of the Association. The vote for such multiply owned Lot shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The Article of Incorporation and By-laws of the Association may provide more specific (or different) rights with respect to voting by Members, including but not limited, for example, to different rights for owners of Single-Family Residential Use Lots as compared to the owners of Multi-Family Use or Commercial/Light Industrial Use Lots, to the extent any Lots are designated as Multi-Family Use or Commercial/Light Industrial Use Lots.

Section 9.4. Board of Directors and Officers. The affairs of the Association shall be conducted by a Board of Directors and such officers as the Directors may elect or appoint, in accordance with this Declaration, the Articles of Incorporation and the By-laws, as the same may be amended from time to time.

Section 9.5. Control of the Association. The Members shall have the right to elect the members of the Board of Directors and to vote on all other matters properly put before the Members of the Association, all in accordance with this Declaration, and the Articles of Incorporation and By-laws of the Association.

Section 9.6. Powers and Duties of the Association. The Association shall have such rights, powers and duties as set forth in the Articles of Incorporation and By-laws, as the same may be amended from time to time.

Section 9.7. Personal Liability. No member of the Board of Directors or any Committee of the Association or members thereof (including without limitation the Architectural Control Committee and its permanent and alternate members) or any of the Officers of the Association shall be personally liable to any Owner or any other party including the Association for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board of Directors or any other representative or employees of the Association, or Committee of the Association or members thereof, provided, however, that such person has, upon the basis of such information as may be possessed by him, acted in good faith, without willful or intentional misconduct.

ARTICLE X

ASSESSMENTS AND ENFORCEMENT OF ASSESSMENTS

Section 10.1. Maintenance Fund. All funds collected by the Association from the regular maintenance charges provided for in this Article shall constitute and be known as the "Maintenance Fund". The Maintenance Fund shall be held, used and expended by the Association for the common benefit of all Members to promote the health, safety, recreation and welfare of the Members, including, without limitation:

- (a) the Association's obligations under Article V of this Declaration;
- (b) maintenance and construction of publicly dedicated (but privately maintained) roadways, bridges, culverts, pedestrian trail easements, the entry wall easement, and related Improvements (unless and until the Town of Bernalillo takes over maintenance);
- (c) installation, construction, erection and relocation of Improvements related to the enhancement and beautification of the Common Properties and Facilities in any Subdivision, including without limitation, any tennis court or courts established by Declarant in any Subdivision;

(d) installation, construction, erection and relocation of Improvements related to the enhancement and beautification of any other areas provided by this Declaration to be developed or maintained by the Association, such as shrubbery, trees, walkways and street lights, and the construction, repair, maintenance and replacement of properties, services, improvements and facilities devoted to such purposes and related to the use and enjoyment of any Subdivision by the Members;

(e) payment of utility charges in connection with the operation of Common Properties or use of Common Properties;

(f) payment of charges for security guards, maintenance of storage tanks, pumps, pipelines, hydrants, private fire protection, road maintenance, garbage collection and other services contracted for by the Association;

(g) charges for liability and property insurance and other insurance related to the Common Facilities, Common Properties and their use and operation; and

(h) accounting and legal fees, including legal fees incurred by the Association while enforcing the provisions of this Declaration.

In the event Declarant shall designate Common Facilities for the use and benefit of all the Owners in any Area which are situated on property owned by Declarant (or affiliated or subsidiary entities) but which then has not been brought within the scheme of this Declaration, the Association shall have the right and authority to allocate and expend such amounts from the Maintenance Fund for construction, repair, maintenance, upkeep, beautification, improvement or replacement of such Common Facilities as its Board of Directors shall determine, in its sole discretion. Further, if all or any such Common Facilities situated on property then not subject to the scheme of this Declaration also are for the use and benefit of persons or entities other than the Owners in the Subdivision, the Association shall have the right and authority to enter into agreements with other persons or entities enjoying the use and benefit of such Common Facilities (or their designee), in such instances and on such terms as its Board of Directors may deem appropriate and acceptable, obligating the Association to contribute, from the Maintenance Fund, a ratable portion of the amounts necessary from time to time to provide for the construction, repair, maintenance, upkeep, beautification, improvement or replacement of such Common Facilities, and providing for other agreements relative to the use and enjoyment of such Common Facilities (including limitations on the extent of the use and enjoyment thereof) by the various persons and entities entitled thereto.

The Association may, in its sole discretion, give one or more of the purposes set forth in this Section 10.1 preference over other purposes, and it is agreed that all expenses incurred and expenditures and decisions made by the Association in good faith shall be binding and conclusive on all Members.

Section 10.2. Regular Annual Maintenance Charges. Each and every Lot (whether an improved or unimproved Lot) in the Property is hereby severally subjected to and impressed with a regular annual maintenance charge or assessment in an amount which shall be determined by the Board of Directors from year to year in accordance with the Articles of Incorporation and By-laws of the Association, in order to allow the Association to meet its financial obligations hereunder. To the extent the Declarant ever redesignates any of the Lots from Single-Family Residential Use to Multi-Family or Commercial/Light Industrial Use, such Lots may be subject to different charges or assessments than those charged to Single-Family Lots. Further, the Board of Directors may decide from time to time to charge improved Lots the same or different charges and assessments than those charged to unimproved Lots. Regular Annual Maintenance Charges shall be due and payable on the first day of January of each year, unless otherwise specified by the Board of Directors, and shall run with the land.

Section 10.3. Unimproved Lots Owned by Declarant. Notwithstanding the foregoing, Declarant shall not be obligated to pay any fee (maintenance charge or assessment or otherwise) on any unimproved Lot owned by Declarant, but shall be obligated to pay such charges or assessments on any improved Lots it owns. The purchaser of an Area from Declarant shall not be exempt from the obligation to pay any fee (maintenance charge or assessment or otherwise) on any unimproved or improved Lot it owns.

Section 10.4. Repayment for Declarant's Operation of Common Facilities. In the event Declarant shall construct or operate or maintain any Common Facility in Petroglyph Trails, or such Common Facility shall be constructed

or operated or maintained by others on behalf of Declarant under agreement authorized hereby, and the actual costs exceed any proceeds ("excess costs") realized by Declarant from such construction, operation or maintenance, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all excess costs, as such costs are incurred, to the extent that the balance of the Maintenance Fund from time to time existing exceeds the amount then designated by the Board of Directors of the Association in good faith to be the minimum amount necessary to accomplish the maintenance functions of the Association. Further, Declarant shall be entitled to be reimbursed from the Maintenance Fund for all ad valorem taxes and other assessments in the nature of property taxes fairly allocable to the Common Properties and Facilities and accrued subsequent to the recordation hereof, and prior to the date if any on which title to such Common Properties and Facilities is conveyed to the Association by Declarant, which have been actually paid by Declarant.

Section 10.5. Covenant for Assessments. Each Owner of a Lot (or Area), by the Owner's claim or assertion of ownership or by accepting a deed to any such Lot (or Area), whether or not it shall be so expressed in such deed, is hereby conclusively deemed to covenant and agree, as a covenant running with the land, to pay to the Association, its successors or assigns, each and all of the charges and assessments against the Owner's Lot and/or assessed against the Owner by virtue of the Owner's ownership thereof, as the same shall become due and payable, without demand. The charges and assessments herein provided for shall be a charge and a continuing lien upon each Lot, together with all improvements thereon, as hereinafter more particularly stated. Each assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the obligation to pay such assessment accrued, and no Member shall avoid personal liability for the payment of any assessment by waiver of the use or enjoyment of the Common Properties or Facilities, or any part thereof, or by abandonment of the Owner's Lot or the Owner's interest therein. This covenant for assessments shall include all amounts assessed by the ACC as well as by the Association itself.

In the event that any occupant of a Lot violates the Declaration and a fine is imposed, the fine shall be assessed against the Owner, who can take redress against the occupant as provided by any agreement between Owner and occupant.

Each Member, by the Member's assertion of title or claim of ownership or by the Member's acceptance of a deed to a Lot or Area, whether or not it shall be so recited in such deed, shall be conclusively deemed to have expressly vested in the Association and the ACC and the Water Cooperative (to the extent applicable), and in their officers and agents, the right, power and authority to take all action which the Association or the ACC or Water Cooperative shall deem proper for the collection of assessments and/or for the enforcement and foreclosure of the liens securing the same.

Section 10.6. Notice of Annual Assessments. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot or Owner for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. This Section does not apply to assessments not imposed on an annual basis, such as ACC fees and deposits and fines and non-compliance assessments.

Section 10.7. Liens to Secure Assessment. The regular maintenance charges and assessments, any applicable special maintenance charge, as hereinabove provided for, and any assessment imposed by a Water Cooperative of which an Owner is a member, any assessment by the ACC, and any other charge, fine or fee assessed or allowed hereunder, shall constitute and be secured by a separate and valid and subsisting lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements thereon, for the benefit, as appropriate, of the entity making the assessment and the respective members of each. Subject to the condition that the entity making the association must be made a party to any court proceeding to enforce any lien hereinafter deemed to be superior, the lien hereby created shall be subordinate and inferior to:

(a) all liens for taxes or special assessments levied by City, County and State government, or any political subdivision or special district thereof, and

(b) all liens securing amounts due or to become due under any Real Estate Contract or Contract of Sale, or any mortgage or deed of trust filed for record, prior to the payment date of any such charges or assessments become due and payable.

Any judicial foreclosure of any such superior lien under any mortgage, deed of trust, or other security instrument in which the entity making the assessment has been made a party, shall cut off and extinguish the liens securing maintenance charges or assessments which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure.

Section 10.8. Effect of Non-Payment. If any assessment, charge, fine or fee owed to the Association or the ACC or a Water Cooperative is not paid within thirty (30) days from the due date thereof, the same shall bear interest from the due date until paid at eighteen percent (18%) per annum, and, if placed in the hands of an attorney for collection or if suit is brought thereon or if collected through probate or other judicial proceedings, there shall be paid to the Association or the ACC or Water Cooperative, as applicable, an additional reasonable amount, but not less than ten percent (10%) of the amount owing, as attorneys' fees. The Association or the ACC or Water Cooperative, as a common expense of all Members, may institute and maintain an action at law or in equity against any defaulting Member to enforce collection and/or for foreclosure of the liens against the Owner's Lot. All such actions may be instituted and brought in the name of the Association or the ACC or Water Cooperative, as appropriate, and may be maintained and prosecuted in a like manner as an action to foreclose the lien of a mortgage or deed of trust on real property.

Section 10.9. Contact Information. It shall be the responsibility of each Owner to ensure that the Association, the ACC and the Water Cooperative (if applicable) have the Owner's current address and telephone number at all times. Notices of assessments, charges, fines or fees, and any other notice or communication, sent to an Owner's last known address shall be deemed received by the Owner three (3) days after mailing.

Section 10.10. Enforcement, Notice and Hearing.

(a) Enforcement. Declarant, the ACC, Association, and/or any Owner shall have the right to enforce, by proceeding at law or in equity for damages or for injunction or both, all restrictions, covenants, conditions, rights and duties imposed, allowed or granted by the provisions of this Declaration. In any such proceedings, the prevailing parties shall be entitled to recover cost and expenses, including reasonable attorneys' fees, and, if the proceeding is to foreclose a lien under Article X, such costs and expenses shall be a part of the total amount secured by the lien. Failure by Declarant, the ACC, Association or Owner to enforce any restriction, covenant, condition, duty or right herein contained shall in no event be deemed a waiver of their respective right to do so at a later time. Notwithstanding the aforesaid or any other provision in this Declaration, the Association and/or the ACC, as applicable, may elect to enforce any provision of the Declaration or any regulations or rules addressed by this Declaration by self-help (for example, but not limited to, the towing of vehicles that are in violation of this Declaration). Any entry onto a Lot for purposes of exercising this power of self-help shall not be deemed a trespass.

(b) Notice Before Enforcement. Except where damage or injury to persons or Property is imminent as a result of the performance or failure to perform or the defective performance of any obligation imposed or restricted by this Declaration, or where animals are involved, no fine shall be levied and no judicial proceeding for the enforcement of the restrictions, covenants, conditions, rights and duties imposed, allowed or granted by this Declaration shall be commenced until thirty (30) days written notice of wrongful performance, defective performance or failure of performance is given to the person, association or entity responsible for such performance, and such wrongful or defective performance or failure to perform has not been cured within such time. Such notice shall be deemed to be given if deposited in the U.S. Mail, mailed postage prepaid, certified, return receipt requested and said thirty (30) days shall commence with the date of mailing thereof. Said notice shall describe (i) the nature of the alleged violation; (ii) the proposed action to be taken such as, without limitation, the judicial action to be taken or the fine to be imposed; and (iii) with respect to action by the ACC or the Association, a statement that the action shall be taken as contained in the notice unless a challenge is begun within thirty days of the date on the notice by requesting a hearing as set forth in this Section. If a timely challenge is not made to action by the ACC or the Association, the entity giving notice may take the action.

(c) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before the ACC or the Board of Directors of the Association, as applicable, in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any fine under this Declaration, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the person who delivered such notice. The notice requirements shall also be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1. Cost of Performance. Cost and expense in performing any obligation or responsibility in this Declaration shall be borne by the person, association or entity charged with such performance or responsibility and shall be subject to the provisions of Article X hereof.

Section 11.2. Breach not Ground for Rescission. No breach or continuing breach of the restrictions, covenants, conditions, duties or obligations imposed, allowed or granted by this Declaration shall be grounds for cancellation, termination or rescission of this Declaration or of any provision thereof.

Section 11.3. Attachment of Covenant on Resale or Remodel. This Declaration shall attach to the lease of or resale of the Property or any Lot, and any remodeling or other alteration of any Improvement or House Structure or Other Structure must be approved by the ACC through the Development Plan process.

Section 11.4. Covenants to Run with the Land. The restrictions, easements, covenants, conditions, rights and duties of this Declaration shall run with and bind all the Lots and tracts within the Property, as defined herein, and shall inure to the benefit of the Owner of any Lot therein, their respective legal representatives, heirs, successors and assigns for a term of twenty (20) years from the date this Declaration is recorded in the real property records of Sandoval County, New Mexico, after which time such restrictions, easements, covenants, conditions, rights and duties shall automatically be extended for successive periods of ten (10) years, unless amended, modified or repealed as hereinafter provided.

Section 11.5. Modification or Repeal During Initial Term. Any of the provisions of this Declaration may be amended or repealed during the initial twenty (20) year term by a recorded written instrument by the Association through its Secretary so long as the Owners of not less than 51% of the Lots sold by the Declarant vote in favor of the modification or repeal, and, provided that if the Declarant or its successors or assigns still owns any Lots, so long as Declarant or its successors or assigns consent to and execute and acknowledge the modification or repeal, and if the Declarant owns no lots, so long as no amendment or repeal shall serve to affect the rights of the Declarant stated herein or the rights of Declarant in any subsequent amendment consented to by Declarant. After the initial twenty (20) year term, the Owners may amend or repeal provisions of this Declaration by the execution of a recorded written instrument by 66% of the Owners of the Lots, but no amendment or repeal shall serve to affect the rights of the Declarant stated herein or the rights of Declarant in any subsequent amendment consented to by Declarant. Said amendment or repeal shall indicate that the appropriate percentage of the Owners of the Lots who voted in favor of the amendment or repeal. By Declarant, this Section refers to the Declarant, its successors or assigns or its members, depending on who would be affected by the amendment or repeal.

Section 11.6. Severability. Invalidation of any of the provisions hereof by a final judgment or decree of any court shall in no way affect or impair the validity of any other provision hereof.

Section 11.7. Joint and Several Obligations. The terms of this Declaration in effect on the date of any lease or recording of a sheriff's deed, trustee's deed, deed in lieu of foreclosure, other deed, other order or decree declaring, settling or confirming title, pursuant to which one or more persons, associations or entities becomes a Lessee or an Owner as hereinbefore defined, shall be binding upon such Lessee or new Owner and such Lessee or new Owner shall be jointly and severally liable with his Lessor or the immediate prior Owner for any continuing performance, failure of performance or defective performance of any act or obligation restricted or imposed hereunder.

Section 11.8. Successors. Deeds of conveyance of any Lot (or Area) may contain the provisions, restrictions, covenants and conditions contained herein by reference to this Declaration; however, whether or not such reference is made in any or all said deeds, by becoming an Owner as herein defined of any of the Property, each such Owner, for himself or herself or itself, his or her or its heirs, personal representatives, successors, transferees and assigns, binds himself or herself or itself, his or her or its heirs, personal representatives, successors, transferees and assigns to all the provisions, restrictions, covenants and conditions now or hereafter imposed by or under the authority of this Declaration and any amendments thereof.

Section 11.9. Assignment of Rights and Obligations of Declarant. The rights of Declarant hereunder are fully assignable to any person, association or entity and any and all obligations and duties of Declarant are fully delegable and assignable to any person, association or entity. However, upon the sale of any Area by Declarant to a developer, such developer shall not be considered a successor or assignee of Declarant except to the extent specifically set forth in the deed(s) of conveyance thereto.

Section 11.10. Word Meanings. The words such as "herein," "hereafter," "hereof," "hereunder" and "hereinabove" refer to this Declaration as a whole and not merely to a section or paragraph or article in which such words appear unless the context otherwise requires. Singular shall include the plural and the masculine gender shall include the feminine and neuter and vice versa unless the context otherwise requires.

Section 11.11. Captions and Section Headings. The captions and headings of various articles, sections, paragraphs or subparagraphs of this Declaration are for convenience only and are not to be considered as defining or limiting in any way the intent of the provisions hereof or thereof.

Section 11.12. Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection and maintenance by Declarant of Structures, Improvements or signs necessary or convenient to the development, sale, operation or other disposition of the Property.

IN WITNESS WHEREOF, the undersigned TRAILS INVESTORS, LLC, being Declarant herein, has set its hand and seal this ____ day of _____, 2011.

DECLARANT:

TRAILS INVESTORS, LLC

By: _____
Steven M. Gudelj, Member

By: _____
Thomas J. Ashe, Member

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANDOVAL)

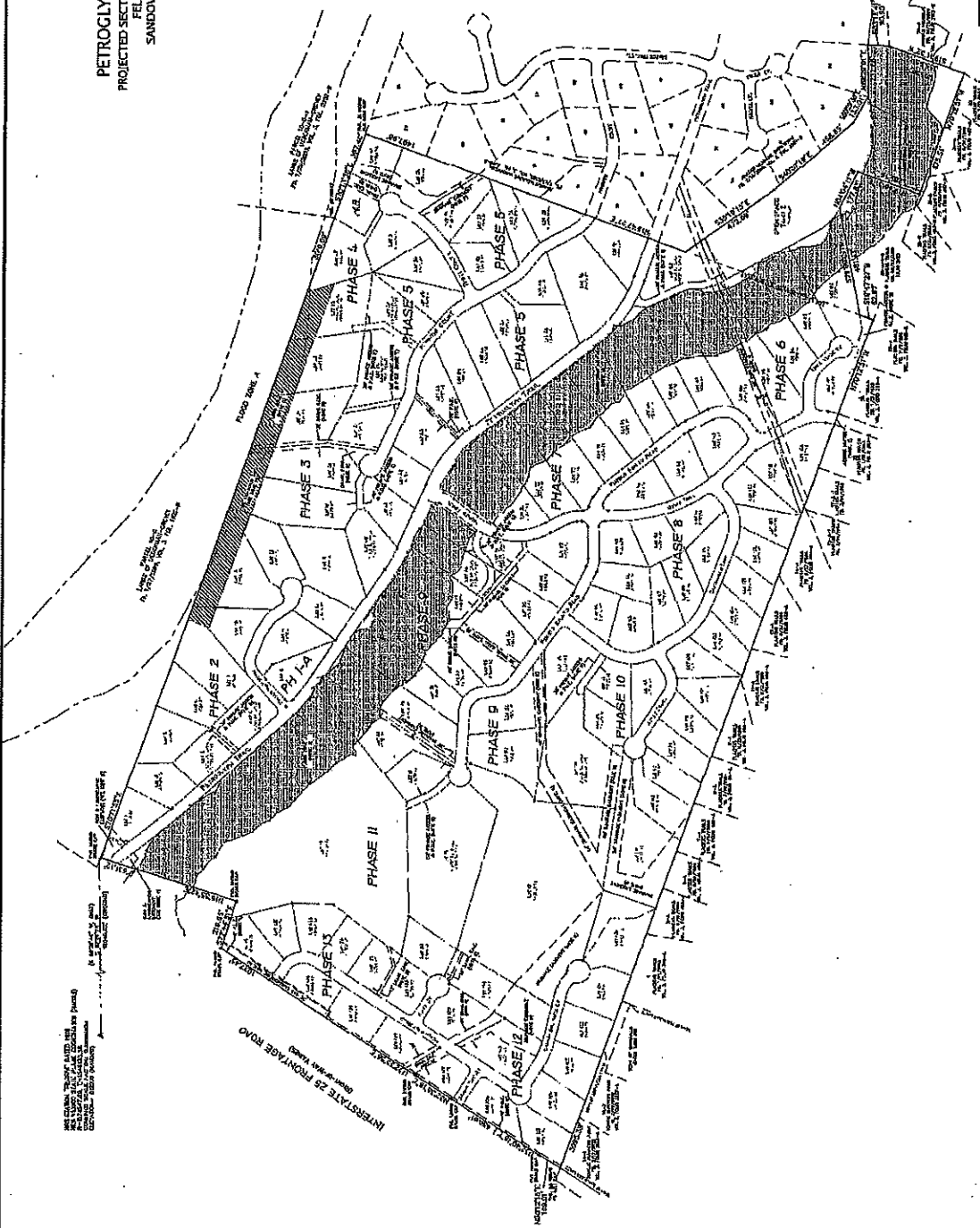
The foregoing instrument was acknowledged before me this ____ day of _____, 2011 by Steven M. Gudelj, Member, Trails Investors, LLC, and by Thomas J. Ashe, Member, Trails Investors, LLC on behalf of said limited liability company.

Notary Public

My Commission Expires:

PHASING PLAN
 PETROGLYPH TRAILS SUBDIVISION
 PROJECTED SECTIONS 28 & 33, T13N, R4E, N44P.M.
 FELIPE GUTIERREZ GRANT
 SANDOVAL COUNTY, NEW MEXICO
 SHEET 2 OF 2

PHASE I - 1 LOT
 PHASE I - 2 LOTS
 PHASE I - 3 LOTS
 PHASE I - 4 LOTS
 PHASE I - 5 LOTS
 PHASE I - 6 LOTS
 PHASE I - 7 LOTS
 PHASE I - 8 LOTS
 PHASE I - 9 LOTS
 PHASE I - 10 LOTS
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 PHASE I - 91 LOTS
 PHASE I - 92 LOTS
 PHASE I - 93 LOTS
 PHASE I - 94 LOTS
 PHASE I - 95 LOTS
 PHASE I - 96 LOTS
 PHASE I - 97 LOTS
 PHASE I - 98 LOTS
 PHASE I - 99 LOTS
 PHASE I - 100 LOTS
 TOTAL NUMBER OF LOTS = 320



Alpha Professional Surveying Inc.
 P.O. Box 48316, St. Louis, Missouri 63144
 Phone: 314-436-1270
 Email: info@alpha-pro.com

Exhibit B (Legal Description of Property)

Parcels 9-B-1 of the Lands of Lieberman-Grevey, within projected Sections 27, 28, 33 & 34, Township 13 North, Range 4 East, N.M.P.M., Felipe Gutierrez Grant, Sandoval County, New Mexico, as the same are shown and designated on the plat thereof, filed in the office of the County Clerk of Sandoval County, New Mexico, on May 24, 2005 in Volume 3, folio 2540-A.

AND

Parcel 9-B-3-A, Petroglyph Trails Subdivision, within the Felipe Gutierrez Grant, projected Sections 27, 28, 33 & 34, T13M, R4E, NMPM, Sandoval County, New Mexico, as the same are shown and designated on the plat thereof, filed in the office of the County Clerk of Sandoval County, New Mexico, on February 20, 2009, in Volume 3, Folio 2996-B.

**ARTICLES OF INCORPORATION OF
PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC.**

In compliance with the provisions of the State of New Mexico Nonprofit Corporation Act, NMSA 1978, §§ 53-8-1 through 53-8-99 (Repl. Pamp. 1983 & Cum. Supp. 1994), the undersigned, Trails Investors, LLC, a New Mexico limited liability company, does hereby certify and adopt in duplicate the following Articles of Incorporation for the Petroglyph Trails Property Owners' Association, Inc.

ARTICLE I: NAME

The name of the corporation is PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC. (hereinafter called the "Association").

ARTICLE II: DURATION

The Association shall exist perpetually.

ARTICLE III: PRINCIPAL OFFICE

The principal office of the Association is located at 01 Ridge Court, Placitas, New Mexico 87043.

ARTICLE IV: REGISTERED AGENT

Thomas J. Ashe, whose address is 46 Sandia Lane, Placitas, NM 87043, is hereby appointed the initial registered agent of this Association, and such address shall be the registered office of the Association.

ARTICLE V: PURPOSES AND POWERS

The purposes and powers of the Association are as follows:

Section 1. This Association does not contemplate pecuniary gain or profit to the members thereof, and is organized solely for non-profit purposes.

Section 2. The Association shall not have the power to issue stock or to declare dividends.

Section 3. The specific purposes for which the Association is formed are to maintain, preserve and improve the common areas within that certain tract of property (hereinafter the

"Property") situated in Sandoval County, and more particularly described in the Petroglyph Trails Subdivision Comprehensive Declaration of Covenants, Conditions and Restrictions filed with the real property records of said county (hereinafter the "Declaration"), including any additions thereto, as may hereafter be brought within the jurisdiction of this Association; to promote the health, safety and welfare of the residents within the above-described Property; to sponsor for the benefit of its members, social, cultural and/or artistic events; and to do any and all other things necessary and convenient for the accomplishment or furtherance of any of the purposes stated herein, and to do all things necessary or convenient for the protection and benefit of the Association, and for these purposes to:

(a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration;

(b) Fix, levy, collect and enforce payment by any lawful means, including commencement of legal proceedings or litigation, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, conserve, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property and any interest therein in connection with the affairs of the Association; including but not limited to, the common areas, recreational facilities, parks, roads, bridges, and drainage structures owned by existing and future members of the Association;

(d) Borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that any such mortgage, pledge, deed in trust, or hypothecation shall be in compliance with provisions of applicable law at the time of the conduct, including membership vote if required by applicable law

and prior approval by HUD/VA and by Trails Investors, LLC if it holds more than a majority of the voting power of the Association;

(e) Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, and otherwise extend its jurisdiction and responsibilities to additional tracts of land, provided that any such merger, consolidation or annexation shall be in compliance with provisions of applicable law at the time of such conduct and shall be first approved by HUD/VA, and Trails Investors, LLC if Trails Investors, LLC at that time still holds more than a majority of the voting power of the Association.

(f) To bring suit or participate in or commence any proceeding, whether judicial or administrative as necessary to protect the interests of the Association.

ARTICLE VI: MEMBERSHIP

The eligibility for membership shall be as stated in the Declaration. The By-laws shall set forth any additional qualifications for membership.

ARTICLE VII: BOARD OF DIRECTORS

The business and affairs of this Association shall be conducted and managed by a Board of not less than three (3) and not more than five (5) Directors, who shall be members of the Association or the authorized agent of a member corporation or partnership. The number of directors may be changed by amendment of the By-laws of the Association. The initial board of directors shall be appointed by Trails Investors, LLC and shall consist of the following four people:

1. Thomas J. Ashe
46 Sandia Lane
Placitas, NM 87042
2. Steven M. Gudelj
01 Ridge Court
Placitas, NM 87043

3. Joanne Ashe
46 Sandia Lane
Placitas, NM 87042

4. Dustin Gudelj
01 Ridge Court
Placitas, NM 87043

The initial Directors appointed by Trails Investors, LLC shall serve for a minimum of two years. If any of said initially appointed board members resigns, they shall be replaced with Directors likewise appointed by Trails Investors, LLC. However, a transition of the board of directors from Directors appointed by Trails Investors, LLC to directors elected by members of the Association shall occur as follows: Once 25% of the lots within the Property have been sold and conveyed from Trails Investors, LLC, or its successors or assigns, or by persons or entities to whom Trails Investors, LLC sells Parcels or Phases within the Property, to persons or entities unrelated to Trails Investors, LLC and unrelated to the members of Trails Investors, LLC, or two years after the filing of these Articles of Incorporation, whichever is later, one seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. Similarly, once 50% of the lots within the Property have been sold and conveyed from Trails Investors, LLC, or its successors or assigns, or by persons or entities to whom Trails Investors, LLC sells Parcels or Phases within the Property, to persons or entities unrelated to Trails Investors, LLC and unrelated to the members of Trails Investors, LLC, a second seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. Once 75% of the lots within the Property have been sold and conveyed from Trails Investors, LLC, or its successors or assigns, or by persons or entities to whom Trails Investors, LLC sells Parcels or Phases within the Property, to persons or entities unrelated to Trails Investors, LLC and unrelated to the members of Trails Investors, LLC, a third seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. At such time as 100% of the of the lots within the Property have been sold and conveyed from Trails Investors, LLC, or its successors or

assigns, or by persons or entities to whom Trails Investors, LLC sells Parcels or Phases within the Property, to persons or entities unrelated to Trails Investors, LLC and unrelated to the members of Trails Investors, LLC the fourth member of the board appointed by Trails Investors, LLC shall resign and the board of directors shall thereafter consist of three (3) Directors, unless the members of the Association vote to change the number of Directors by amendment to these By-Laws. Any Director appointed by Trails Investors, LLC may run for open election so long as Trails Investors, LLC has not sold or conveyed 100% of its lots to persons or entities related to Trails Investors, LLC and its members. When calculating the number of lots within the Property and the percentage of lots that are to be sold and conveyed before seats on the board of directors open up to member election, any lots added to the property by way of rezoning or replatting shall be counted towards such percentages. However, in no event shall a Director who has been elected by the members lose his/her seat should the Property be rezoned or replatted after his/her election.

ARTICLE VIII: DISSOLUTION

The Association may be dissolved if consistent with law and the Declaration. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX: AMENDMENTS

Amendment to these Articles can be made if consistent with law and the Declaration and shall require the approval of at least two-thirds (2/3) of the vote of the Lot Owners.

ARTICLE X: INCORPORATOR

The name and address of the incorporator is:

TRAILS INVESTORS, LLC

46 Sandia Lane

Placitas, NM 87043

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of New Mexico, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this 16 day of December, 2011.

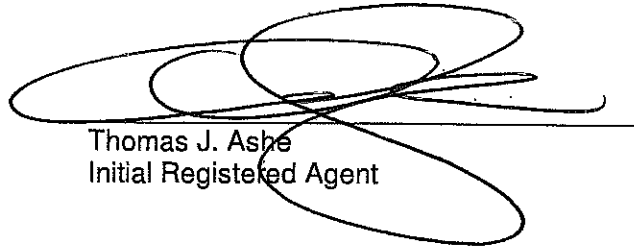
TRAILS INVESTORS, LLC

By: 

Thomas J. Ashe
Member

ACCEPTANCE OF APPOINTMENT AS INITIAL REGISTERED AGENT

The undersigned, being duly sworn, hereby accepts appointment as Registered Agent, pursuant to the New Mexico Nonprofit Corporation Act, for Petroglyph Trails Property Owners' Association, Inc., a New Mexico nonprofit corporation.


Thomas J. Ashe
Initial Registered Agent

STATE OF NEW MEXICO)
COUNTY OF Sandoval) ss.

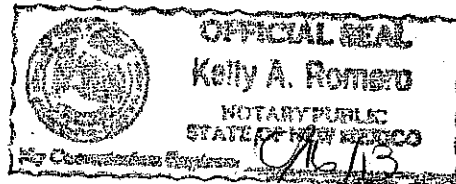
The foregoing Acceptance of Appointment as Initial Registered Agent was subscribed and sworn before me on this 16th day of December, 2011 by Thomas J. Ashe, Initial Registered Agent.

Witness my hand and official seal.

(SEAL)


Notary Public

My Commission Expires: 10/16/13



**BY-LAWS OF
PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC.**

PREAMBLE

This is a Nonprofit Corporation organized and operated under the applicable laws of the State of New Mexico and the New Mexico Nonprofit Corporation Act, NMSA 1978, Sections 53-8-1 through 53-8-99 (Repl. Pamp. 1983 & Cum. Supp. 1994).

ARTICLE I

OFFICE

Section 1.1 Principal Office. The principal office of the corporation in the State of New Mexico shall be located as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Section 1.2 Registered Office and Registered Agent. The corporation shall have and continuously maintain in the State of New Mexico a registered office and a registered agent, as required by law. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.1. Areas. The term "Areas" shall have the same meaning as set forth in the Declaration.

Section 2.2. Assessments. The term "Assessments" shall have the same meaning as set forth in the Declaration.

Section 2.3. Association. The term "Association" shall have the same meaning as set forth in the Declaration.

Section 2.4. Common Facilities. The term "Common Facilities" shall have the same meaning as defined in the Declaration.

Section 2.5. Common Properties. The term "Common Properties" shall have the same meaning as defined in the Declaration.

Section 2.6. Declarant. The term "Declarant" shall have the same meaning as set forth in the Declaration.

Section 2.7. Declaration. The term "Declaration" shall mean and refer to the Petroglyph Trails Subdivision Comprehensive Declaration of Covenants, Conditions and Restrictions (and amendments and supplements thereto) recorded in the Office of the County Clerk of Sandoval County, New Mexico.

Section 2.8. Lot. The term "Lot" shall have the same meaning as set forth in the Declaration. Section 2.9. Member(s). The term "Member(s)" shall have the same meaning as set forth in the Declaration.

Section 2.10. Multi-Family Use. The term "Multi-Family Use", when referring to lots, shall have the same meaning as set forth in the Declaration.

Section 2.11. Phasing Plan. The term "Phasing Plan" shall have the same meaning as set forth in the Declaration.

Section 2.12. Property. The term "Property" shall have the same meaning as set forth in the Declaration.

Section 2.13. Single-Family Residential Use. The term "Single-Family Residential Use", when referring to lots, shall have the same meaning as set forth in the Declaration.

ARTICLE III

MEMBERSHIP

Section 3.1. Qualifications for Good Standing. In addition to those qualifications set forth in Article IX of the Declaration and in the Articles of Incorporation, the qualifications for being a Member in good standing shall be as follows:

- (a) Full payment of any and all Assessments levied by the Association against the Member's Lot; and
- (b) Full compliance with the Declaration and any rules and regulations promulgated by the Association.

Section 3.2. Voting. The right to vote shall be as stated in Article IX of the Declaration. However, to the extent there is a rezoning of certain Lots to Multi-Family Use, only the owners of Lots rezoned to Multi-Family Use shall be entitled to vote on matters strictly effecting their lots, and only the owners of Lots zoned for Single-Family Residential Use shall be entitled to vote on matters strictly effecting their lots. All lot owners will be entitled to vote on matters effecting any Common Facilities and Common Properties available for use by all owners, occupants and their invitees. Only Members in good standing shall have the right to vote. Declarant, and any developer to whom Declarant sells any entire Area, shall be entitled to cast three (3) votes for each Lot it owns until the first to occur of (a) the conveyance by Declarant (or such developer, as applicable) of all lots, and any tracts, it owns within Petroglyph Trails to persons or entities unrelated to it or its members, or (b) the recording of a written waiver by Declarant (or such developer) of its voting rights.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.1 Annual Meeting. The annual meeting of the Members of this Association shall be held on the first Tuesday of the month of November each year at 6:30 p.m. at a location selected by the Board of Directors within 10 miles of the Subdivision, within the County of Sandoval, State of New Mexico. If it is not possible or practical to hold the annual meeting on said date, the Board of

Directors may set the annual meeting for some other day in November, but in no event shall the annual meeting be held less than thirty (30) days before the end of each fiscal year. At the annual meeting, the Board of Directors shall present an accounting of the expenses, itemizing receipts and disbursements for the current calendar year, the allocation thereof to each Member, and the estimated budget for the coming calendar year, and any other business which may properly be brought before the Association.

Section 4.2. Special Meetings. Special meetings of the Members of the Association may be called at any time by the President, or upon resolution signed by at least a majority of the Board of Directors, or upon written petition to the President signed by ten percent (10%) of the Members. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted except such as is specified in the notice.

Section 4.3. Notice. Notice of meetings of the Members of the Association, both regular and special shall include the purpose, place, date and hour of the meeting and shall be given to each Member of record in writing and delivered either personally or by mail to the address shown upon the books of the Association, at least ten (10) days prior to the meeting, but not more than fifty (50) days prior to the meeting.

Section 4.4. Order of Business. The order of business at the annual meetings, and as far as possible at other meetings, shall be:

- (a) Calling to order and proof of quorum;
- (b) Proof of notice of meeting;
- (c) Reading and action taken upon the minutes of the last meeting;
- (d) Reports of Directors;
- (e) Reports of Officers and Committees;
- (f) Election of Directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

Section 4.5 Quorum. The presence at a meeting of Members entitled to cast, and/or of proxies entitled to cast, ten percent (10%) of the then existing voting rights of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented by proxy.

Section 4.6. Proxies. At all meetings of Members, each Member may vote in person or by proxy upon such terms as may be determined from time to time by the Board of Directors of the Association. All proxies shall be in writing; sealed and personally delivered by the person executing the proxy to a board member or returned by the United States Postal Service to the person designated by the Board of Directors, and filed with the Association Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 4.7. Voting. All Members of the Association in good standing, except the Declarant and a developer owner of an Area, shall be entitled to one (1) vote (in person or by proxy) for each Lot owned at any meeting of Members of the Association, on matters strictly effecting their type of lot (i.e. residential or multi-family, to the extend some lots are rezoned for multi-family use), and on any

matters submitted to a vote of the Members of the Association that effect all Lots within the Subdivision (see Section 3.2). If more than one person holds an interest in any Lot, all such persons shall be Members of the Association. The vote for such multiply-owned Lot shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Declarant, and any developer to whom Declarant sells an Area, shall be entitled to cast three (3) votes for each Lot it owns until the first to occur of (a) conveyance by Declarant, or such developer, of all lots, and any tracts, it owns within the Subdivision or (b) a recorded written waiver by Declarant, or such developer, of its voting rights.

ARTICLE V

DIRECTORS

Section 5.1. Number of Directors. The business and affairs of the Association shall be conducted and managed by a Board of not less than three (3) and not more than five (5) Directors who shall be members of the Association or the authorized agent of a member corporation or partnership.

Section 5.2. Term of Office. The initial Directors appointed by Declarant shall serve for a minimum of two years. If any of said initially appointed board members resigns, they shall be replaced with Directors likewise appointed by Declarant. However, a transition of the board of directors from Directors appointed by Declarant to directors elected by members of the Association shall occur as follows: Once 25% of all of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant, or two years after the filing of these Articles of Incorporation, whichever is later, one seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. Similarly, once 50% of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant, a second seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. Once 75% of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant, a third seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. At such time as 100% of the of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant the fourth member of the board appointed by Declarant shall resign and the board of directors shall thereafter consist of three (3) Directors, unless the members of the Association vote to change the number of Directors by amendment to these By-Laws. Any Director appointed by Declarant may run for open election so long as Declarant has not sold or conveyed 100% of its lots to persons or entities related to Declarant and its members. When calculating the number of lots within the Property and the percentage of lots that are to be sold and conveyed before seats on the board of directors open up to member election, any lots added to the property by way of rezoning or replatting shall be counted towards such percentages. However, in no event shall a Director who has been elected by the members lose his/her seat should the Property be rezoned or replatted after his/her election. Elected Directors shall serve two year terms.

Section 5.3. Directors' Meetings. Regular meetings of the Board of Directors shall be held as the Board may determine and at such place and hour as may be fixed from time to time by resolution of the Board. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director. Directors' meetings shall be open to any Member of the Association.

Section 5.4. Quorum. A majority of the total number of Directors shall constitute a quorum for the transaction of business. Each act or decision done or made by the Directors shall require the assent of a simple majority of the quorum.

Section 5.5. Removal and Replacement of Directors. Any Director or Officer of the Association may resign in writing at any time. At such time as the Members of the Association have the right to vote for Directors on the Board of Directors, any Director or Officer of the Association, other than a Developer appointed Director, may be removed from office, with or without cause, by a vote of not less than two-thirds (2/3) of the Members of the Association present at any annual meeting, or at any special meeting called for that purpose, assuming quorum has been met. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors on the Board and shall serve until the next meeting of the Association when another will be elected for the unexpired term.

Section 5.6. Compensation of Director. No Director shall receive compensation for any service he or she may render to the Association; however, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5.7. Action of Directors Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting of the Directors which could be taken at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5.8. Nomination. Any member may nominate himself or any other Member for election to the Board of Directors by submitting the name of said nominee in writing to the Board of Directors at least thirty (30) but not more than sixty (60) days before the annual meeting of Members. The written nomination may be accompanied by a resume, curriculum vitae, position statement or any statement of goals or qualifications deemed appropriate by the nominating party. The names of the nominees and the written statements presented shall be made available to all Members at least ten (10) days prior to the election. In addition to the foregoing, any member may nominate himself or any other member for election to the Board of Directors from the floor at the annual meeting.

Section 5.9. Election. Election of the Board of Directors shall be by written ballot. At such elections the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting is not allowed.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1. Powers. A majority of the Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations ("Rules and Regulations") governing the use of the Common Facilities and Common Properties, and the personal conduct of the Members and their guests thereon, and to establish fines and/or penalties for the infraction thereof;

- (b) Imposed reasonable sanctions for violation of the Declaration, these By-Laws, and/or any Rules and Regulations after notice and a hearing in accordance with the procedures set forth in Article X and XI of the Declaration including, without limitation:
- (i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Lot. (In the event that any occupant, guest or invitee of an Owner violates the Declaration, the By-Laws, and/or any Rules and Regulations and a fine is imposed, the fine shall first be assessed against the violator, but if the fine is not paid by the violator within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Board of Directors);
 - (ii) suspending an Owner's right to vote;
 - (iii) suspending any person's right to use any facilities within the Common Facilities and Common Properties; provided, however, nothing herein shall authorize the Board of Directors to limit ingress, or egress to or from a Lot;
 - (iv) exercising self-help or taking action to abate any violation of the Declaration, the By-Laws, and/or any Rules and Regulations;
 - (v) requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of the Declaration and to restore the Lot to its previous condition;
 - (vi) without liability to any person, prohibiting any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the Declaration from continuing or performing any further activities in the Subdivision; and
 - (vii) levying specific assessments to cover costs incurred by the Association to bring a Lot into compliance with the Declaration, the By-Laws, and/or any Rules and Regulations.

In addition, the Board of Directors may take the following enforcement actions to ensure compliance with the Declaration, the By-Laws, and/or any Rules and Regulations, without the necessity of compliance with the procedures set forth in Article XI of the Declaration; exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of any parking rules and regulations); and bringing suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

In addition to any other enforcement rights, if an Owner fails to properly perform such Owner's maintenance responsibility, the Board of Directors may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment. Except in an emergency situation, the Board of Directors shall provide the Owner with reasonable

notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Declaration and/or By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the Declaration, the By-Laws, and/or any Rules and Regulations, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Board of Directors shall not be obligated to take any action if the Board of Directors reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed as a waiver of the right of the Association to enforce such provision at a later time and under other circumstances or estop the Association from enforcing any other covenants, restriction or rule.

- (c) Suspend the good standing of any Member as specified in Article III of these Bylaws;
- (d) Make repairs and replacements to the Common Facilities and Common Properties as may be reasonably necessary to protect the overall security, appearance, value and continuity of the Lots or the health and safety of the Members, Owners, residents and guests; to levy and assess the actual costs and expenses thereof to the individual Members; to record a lien therefore; and to foreclose said lien as permitted by law;
- (e) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (f) Declare the office of a Director on the Board of Directors to be vacant in the event such Director shall be absent from four (4) consecutive regular meetings of the Board of Directors and fill that vacancy;
- (g) Employ a property manager, independent contractors, or such employees as they deem necessary, and to prescribe their duties.
- (h) Incur debt and approve contracts, provided however, Common Facilities and Common Properties are not mortgaged or conveyed without consent and affirmative vote of two-thirds of the Members, excluding Declarant;
- (i) Bring suit or participate in or commence any proceeding, whether judicial or administrative, as necessary to protect the interests of the Association, provided, however that suits and proceedings other than for the collection of monetary fines and assessments and/or the enforcement of the Declaration against Owners, shall not be commenced without consent and the affirmative vote of two-thirds of the members;
- (j) Appoint committees as deemed appropriate in carrying out the purposes of the Association; and

- (k) Levy assessments and fines and pursue the enforcement and collection thereof in accordance with the provisions of these Bylaws, the Declaration and the laws of the State of New Mexico.

Section 6.2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting;
- (b) Supervise all officers, agents and employees of this Association, to insure that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the regular assessment for the next year against each Lot (and the date(s) on which it is to be paid, e.g., annually, semi-annually, monthly), at least thirty (30) days in advance of each annual meeting. Such regular assessment amount may be increased or decreased upon thirty (30) days written notice;
 - (2) Send written notice of the regular assessment amount for the next year (and any notice of an increase or decrease), to every Member subject thereto at least ten (10) days in advance of each annual meeting or if applicable, at least thirty (30) days in advance of such increase or decrease;
 - (3) Fix the amount of any special assessment against each Lot as provided in the Declaration and send statements to each Member as provided for therein;
 - (4) Send written notice of each special assessment to every Member subject thereto at least thirty (30) days in advance of the due date; and
 - (5) Fix the amount of any fines or penalties as provided in the Declaration and send notice thereof to the applicable Member(s) as provided for therein;
 - (6) Fix the amount of any transfer fees associated with the disposition of member Lots as provided in the Declaration and send notice thereof to every member.
 - (7) Foreclose the lien of the Association against any Lot for which assessments or fines are not paid within thirty (30) days after the due date or to bring an action at law against the Member, or former Member, personally obligated to pay the same when, in the discretion of the Board of Directors, such action would be in the best interests of the Association.
- (d) Issue, or cause an appropriate officer to issue, upon reasonable demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance

of such certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) Procure and maintain adequate liability and hazard insurance on property owned or maintained by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, if in the discretion of the Board of Directors such bond is deemed appropriate;
- (g) Procure and maintain adequate directors and officers liability insurance coverage for the officers and directors of the Association if deemed necessary or advisable by the Board of Directors;
- (h) Cause the Common Facilities and Common Properties to be maintained and insured;
- (i) Prepare the annual budget, to include, without limitation amounts deemed proper for the operation and maintenance of the Common Facilities and Common Properties and general operating reserves for replacements and new improvements and to make up for any deficits;
- (j) Pay all Association bills when they become due;
- (k) Enforce by legal means the provisions of the Declaration, these Bylaws, and any Rules and Regulations; and
- (l) Act on behalf of the Members with respect to all matters arising out of any eminent domain proceeding.

ARTICLE VII

OFFICERS

Section 7.1. Enumeration of Officers. The Officers of this Association shall be President, Vice-President, a Secretary/Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create. Each Officer shall be a Member of the Association or the authorized agent of a Member corporation or partnership. Only Directors shall be eligible for the offices of President and Vice-President.

Section 7.2. Election of Officers and Term of Office. The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the Officer shall sooner resign, be removed, or be otherwise disqualified to serve. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3. Special Officers. The Board may elect such other Officers from the Members as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 7.4. Resignation and Removal. Any Officer may be removed from office, with or without cause, by the Board. Any Officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

Section 7.6. Duties. The duties of the Officers are as follows:

- (a) President. The President shall preside at all meetings of the Members and the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all contracts, lien statements, mortgages, deeds and other written instruments on behalf of the Association and shall co-sign all checks and promissory notes. The president may designate the property manager to sign checks for normal budgeted operating expenses or amounts approved by the Board and lien statements on behalf of the Association on a continuing basis in order to effect the normal daily operations of the Association.
- (b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.
- (c) Secretary/Treasurer. The Secretary/Treasurer shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their mailing address and whether or not they are in good standing; receive and deposit in appropriate bank accounts all monies of the Association, including but not limited to the Maintenance Fund as set forth in the Declaration, and disburse such funds as directed by the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; cause an annual accounting of the Association books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditure to be presented to the membership at its regular annual meeting; and perform such other duties as required by the Board.
- (d) The officers of the Association may retain attorneys, accountants and others as may be reasonably necessary to represent the Association.

ARTICLE VIII

MAINTENANCE FUND

As more fully described in the Declaration, the Association shall create and maintain an Operating Expenses Fund and a Reserve Fund. The purpose of each fund shall be as specified in the Declaration. The amount of the annual levy to establish and maintain the funds shall be determined by the Board of Directors based in part upon the average annual expenditures for past years. In no instances shall said funds total more than a reasonable amount necessary to meet annual average costs of the Association's obligations under the Declaration, including costs for reasonably anticipated repairs and replacements.

ARTICLE IX

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to promptly pay to the Association annual and special assessments, and any fines or other fees properly assessed against such Member, all of which are secured by a continuing lien upon said Member's Lot. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, a late fee (in such amount as set by the Board of Directors from time to time) shall be owed, plus the assessment shall bear interest from the date due at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Member, or former Member, personally obligated to pay the same or foreclose the lien on the Lot. If the assessment is placed in the hands of an attorney for collection or if suit is brought thereon or if collected through probate or other judicial proceedings, the Member, or former Member, shall pay to the Association an additional reasonable amount, as attorneys' fees. In addition, the Member, or former Member, shall pay all costs of such collection or judicial proceeding. No Member may waive or otherwise escape liability for the assessments provided for herein. The Board of Directors shall be entitled to record a notice of the lien of the Association for any assessment which is delinquent.

ARTICLE X

RECORDS OF THE ASSOCIATION

Section 10.1. Inspection of Records. The books, records and papers of the Association shall at all times, during regular business hours and upon reasonable advance notice, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reproduction cost.

ARTICLE XI

SALE OR TRANSFER OF MEMBERSHIP

Section 11.1. Sale or Transfer. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership, all as provided for in the Declaration. Whenever the legal ownership of any lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, however, the Association must be notified in writing so that it can update its records. A transfer fee may be assessed for the transfer of membership in the Association, as set from time to time by the Board of Directors.

Transfer of an interest in the Association will not affect or change any existing or accrued obligations, and such new interest holder will not be personally liable for such obligations unless otherwise specified in these Bylaws or the Declaration.

ARTICLE XII

AMENDMENTS

These Bylaws may be repealed or amended by a vote of two thirds (2/3) of the Members, at the annual meeting, or at any special meeting called for that purpose; provided notice of the proposed repeal or amendment is incorporated in the notice of such meeting. So long as Delashe

Investments, LLC is still entitled to cast three (3) votes for each Lot it owns, HUD/VA shall have the right to veto any amendment to these By-Laws.

**ARTICLE XIII
MISCELLANEOUS**

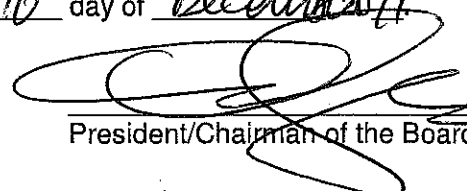
Section 13.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 13.2. Indemnification of Board of Directors, Officers and Members of the ACC and other Committees. The Association shall indemnify any present or former Director or Officer and any present and former member of any Committee, including but not limited to the Architectural Control Committee of the Association, against reasonable expenses, costs, and attorney's fees actually and reasonably incurred by him or her in connection with the defense of any action, suit, or proceeding, civil or criminal, in which he or she is made a party, or in which he or she may become involved, by reason of being or having been a Director or Officer or member of any committee. The indemnification shall include any amounts paid to satisfy a judgment or to compromise or settle a claim, provided that in the event of a settlement the indemnification shall apply when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The Director, Officer, or committee member shall not be indemnified if he or she is adjudged to be liable on the basis that he or she has breached or failed to perform the duties of his or her office or committee and the breach or failure to perform constitutes willful misconduct or recklessness.

Section 13.3. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 13.4. Interested Parties. No transaction of the Association will be affected because a Member, Director, Officer, or Employee of the Association is interested in the transaction, provided full disclosure is made in advance to the Directors and Officers of the Association. Such interested parties will be counted for quorum purposes, and may vote, when the Association considers the transaction. Such interested persons will not be liable to the Association for the party's profits, or the Association's losses from the transaction.

IN WITNESS WHEREOF, we, being the initial Board of Directors of the PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC., having adopted these Bylaws of the Association, have hereunto set our hands this 16 day of December, 2011

 **PRESIDENT**

President/Chairman of the Board

~~Vice President/Member of the Board~~

~~Secretary/Treasurer/Member of the Board~~

ACKNOWLEDGMENT

STATE OF NEW MEXICO)
COUNTY OF Sandoval)

The foregoing instrument was acknowledged before me this 16th day of December 2011, by Thomas Kesh, President and Chairman of the Board of Petroglyph Trails Property Owners' Association, Inc.

Kelly A. Romero
NOTARY PUBLIC

My Commission Expires: 12/16/13



~~STATE OF NEW MEXICO)
COUNTY OF _____)~~

~~The foregoing instrument was acknowledged before me this _____, 20__, by _____ Vice-President and Member of the Board of Petroglyph Trails Property Owners' Association, Inc.~~

~~_____
NOTARY PUBLIC~~

~~My Commission Expires:
_____~~

~~STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)~~

~~The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____ Secretary/Treasurer and Member of the Board of Petroglyph Trails Property Owners' Association, Inc.~~

~~_____
NOTARY PUBLIC~~

~~My Commission Expires:
_____~~



5501 Jefferson Blvd. NE, Suite 200
Albuquerque, NM 87109
Phone: (505) 243-7300
Fax: (505) 243-7400
Email: rtiengr@nm.net

PETROGLYPH TRAILS WATER USAGE EXECUTIVE SUMMARY

1. Water Rights and Groundwater Availability

1.1 For verification of water rights and groundwater availability, contact Office of State Engineer.

2. Water Use

2.1 RTI assumes that the water use restrictions found on Page 18 under Section 6.16 Water Conservation/Fire Protection/Water Quality of the "Comprehensive Declaration of Covenants, Conditions, and Restrictions" apply to all three subdivisions.

3. Water Storage Requirements

3.1 RTI understands that DELASHE Investments, LLC may rezone 60 of the 160 lots of Petroglyph Trails for commercial or multiple dwelling units. It is not known at this time what types of businesses or type of construction will be utilized; therefore, it is not possible to determine the fire flow requirements for these locations.

3.2 Minimum Requirements – Sandoval County Land Subdivision Regulations state that usage should be determined by NM Environment Department (NMED) regulations. NMED regulations assume 2 people for first two bedrooms and 1 person per bedroom thereafter. Therefore it is preferable to use restrictive covenants to determine usage.

- Fire Storage for Sandoval County is 100,000 gallons or the required minimum as specified in NFPA 1142, whichever is more stringent. NFPA 1142, 2001 Edition requires 32,571 gallons for home construction using a 5000 square foot home with a height of 30 feet, a hazard classification of 7, and a construction classification of 1.5 without structural exposures.
- Residential Peak Day Volume is limited by the covenants to 10,248 gallons per 30 day month which is equivalent to 341.6 gallons/day.
- Minimum Required Storage Volume is 3 Peak Days residential volume plus Fire Volume.

3.3 Total Number of Lots is 387: Anasazi Trails has 102 lots, Anasazi Meadows has 125 lots, and Petroglyph Trails has 160 lots.

3.4 Volume Computations:

$(341.6 \text{ gallons/day/lot})(387 \text{ lots})(3 \text{ days}) = 396,598 \text{ gallons} \sim 396,600 \text{ gallons}$
Total Volume = 396,600 gallons + 100,000 gallons = 496,600 gallons

3.5 Available Capacity

Two 175,000 gallon water tanks for a total of 350,000 gallons.

Two wells equipped with 90 gallon/minute pumps.

3.6 Capacity Computations

Assume one pump is inoperable.

Pump Volume = $(90 \text{ gal/min})(1440 \text{ min/day})(3 \text{ days}) = 388,800 \text{ gallons}$

Capacity = $350,000 \text{ gallons} + 388,800 \text{ gallons} = 738,800 \text{ gallons}$

3.7 Supply is sufficient as $738,800 \text{ gallons} > 496,600 \text{ gallons}$



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

John R. D'Antonio, Jr., P.E.
State Engineer

Santa Fe

BATAAN MEMORIAL BUILDING, ROOM 102
SANTA FE, NM 87504-6102
(505) 827-6120
Fax: (505) 827-6882

January 19, 2007

SANDOVAL COUNTY
RECEIVED

JAN 22 2007

P&ZDEPT.

CERTIFIED MAIL
RETURN RECEIPT
REQUESTED

Brad Stebleton
Senior Planner
Sandoval County
P.O. Box 40
Bernalillo, NM 87004

Re: Petroglyph Trails Subdivision

Dear Mr. Stebleton:

The Water Use & Conservation/Subdivision Review Bureau of the Office of the State Engineer has reviewed the referenced subdivision proposal pursuant to the Sandoval County Subdivision Regulations, the New Mexico Subdivision Act and the OSE Rules and Regulations Governing the Appropriation and Use of Ground Water In New Mexico.

Based on the information provided, this office has determined that the subdivider can furnish water sufficient in quantity to fulfill the maximum annual water requirements of the subdivision, including water for indoor and outdoor domestic uses, and that the subdivider can fulfill the proposals in his disclosure statement concerning water, excepting water quality. Accordingly, a positive opinion is issued.

A staff memorandum providing specific comments is attached for your information. If you have any questions, please call Jerry Keller at 505-827-3845.

Sincerely,

John W. Langworth, P.E.

Water Use & Conservation/Subdivision Review Bureau Chief

Encl.

cc: OSE Water Rights Division, Albuquerque Office

JKjk

MEMORANDUM

New Mexico Office of the State Engineer
Water Use and Conservation Bureau

DATE: January 19, 2007

TO: John Longworth, P.E. Water Use & Conservation Bureau Chief

FROM: Jerry Keller, Senior Water Resource Specialist

SUBJECT: Petroglyph Trails Subdivision in Sandoval County

SUMMARY

On December 20, 2006 and January 18, 2007 the Office of the State Engineer (OSE) received additional/revised information for the Preliminary Plat for Petroglyph Trails, a Type-two Subdivision. The initial proposal was a request to subdivide a 211.25-acre parcel into 160 residential lots ranging in size from 0.75-acres to 4.6-acres each. The revised proposal is for 141 residential lots and one lot reserved for future development. However, the Disclosure Statement has not been revised and indicates 160 lots. The proposed water supply is the Anasazi Trails Water Cooperative. The property is located on the east side of the east I-25 Frontage Road north of State Highway 165, within projected Sections 27, 28, 33, and 34 Township 13 North, Range 4 East, NMPM, Felipe Gutierrez Grant.

This office issued negative opinions for this subdivision proposal by letters dated May 19, 2006 and August 21, 2006 for the reason that the water supply proposal was not in compliance with the requirements of the Sandoval County Subdivision Regulations and the New Mexico Subdivision Act. See the previous letters for specific details.

The revised water supply documents submitted to this office consist of a letter from the developer in response to previous OSE comments, a Disclosure Statement, a Water Supply Plan, a copy of the approved OSE Permit, File No. RG-77562 et al and RG-73326 et al Comb-Eng to Combine and Enlarge the Place of Use of Underground Waters, and Plat Map.

The revised proposal was reviewed pursuant to the Sandoval County Subdivision Regulations (Regulations) and the New Mexico Subdivision Act (Act). The water supply proposal is in substantial compliance with the requirements of the Regulations and the Act. Accordingly, a positive opinion should be issued.

WATER DEMAND ANALYSIS AND WATER CONSERVATION

The subdivider has submitted a revised analysis of actual water use by existing homeowners within the Anasazi Trails Water Cooperative service area for the billing period from April 2006 through October 2006. The analysis calculates the average gross water deliveries per lot by dividing the total metered diversion by the number of occupied dwelling units. The average gross water use includes all system losses for the period. This analysis supports that system is currently operating within the per lot gross allocation of 0.3826 acre-feet per lot.

The current proposal includes an updated Water Supply Study (Study). The Study contains a detailed water demand analysis following the procedure, to a large extent, set forth in OSE Technical Report 48 (Wilson, 1996). The analysis estimates the water quantity for toilet leakage to be substantially less than Technical Report 48, however, the estimated demand for evaporative cooling is more. Overall, the estimated annual indoor use of 0.232 acre-feet is reasonable.

The estimated outdoor use of 0.023 acre-feet per lot is based on 600 square feet of drip irrigated Xeriscaping. The analysis utilizes the irrigation quantity estimates for horticulture contained in Appendix C of Technical Report 48. It should be noted that the Disclosure Statement and the Covenants restrict the irrigated area to 600 square feet of grass and allows for an unspecified area of plantings that can only be made in areas adjacent to the house. An estimate of 0.042 acre-feet is also included for 600 square feet of buffalo grass. However, the Study states that less than 5% of the existing homes have turf and the total estimated demand is based on the quantity for xeriscape.

The analysis also contains an estimate for a 67,320 gallon (1,500 square feet x 6 feet) deep swimming pool. The Disclosure Statement specifies that initial filling or any seasonal or other refilling may not be accomplished using the Water Cooperative's water. It is assumed that the Water Cooperative will provide make-up water for evaporative losses. The analysis estimates the annual evaporative loss at 62,047 gallons or 0.19 acre-feet. The analysis does not take into consideration that the Disclosure Statement specifies that pools must have covers that minimize evaporation loss. A reasonable estimate for pools should be developed based on the number of existing pools on the 71 developed lots. Satellite imagery shows several existing pools in the vicinity of the subdivision.

Item 12.B, 14.C.2, and C.5, and Item No. 17 of the Disclosure Statement have been revised to include the estimated water quantities per the Study and advises the buyer that the maximum amount of water rights initially allocated for each home of 0.3826 acre-feet does not take into consideration any system losses which will reduce the amount of actual water available to each household.

WATER AVAILABILITY ASSESSMENT

The proposed water supply for the development is the Anasazi Trails Water Cooperative, an existing community water system. A letter from the water purveyor was included in the previous proposal stating that they are ready, willing, and able to provide water service to 160 lots. The revised proposal is for 141 residential lots and one large lot reserved for future development. The letter is in substantial compliance with the requirements of Section 8.6.6.a of the Regulations.

OSE records indicate that Permit, File No. RG-77562 et al and RG-73326 et al Comb-Enlg to Combine and Enlarge the Place of Use of Underground Waters, was approved on October 31, 2006. The permit specifies that Delashe Investments, LLC (Anasazi Trails Water Cooperative) is

Petroglyph Trails Subdivision

January 19, 2007

Page 3 of 3

permitted a consumptive use amount of 162.87 acre-feet per annum. Anasazi Trails Water Cooperative currently holds sufficient water rights to provide service to the proposed subdivision and existing lots within the service area.

EXHIBIT F

Wayne Dominguez dba
New Mexico Rubbish Removal
1 Vista Del Sol
Placitas, NM 87043
505-239-3971

September 14, 2005

In regards to trash service for Petroglyph Trails.

New Mexico Rubbish Removal will provide residential trash collection on a weekly basis for Petroglyph Trails Subdivision.

If you have any questions or concerns please feel free to call Wayne at (505)239-3971 or (505)771-4229 or write to me at the above address.

Wayne Dominguez



BILL RICHARDSON
Governor

State of New Mexico
ENVIRONMENT DEPARTMENT

Environmental Health Division
District I - Rio Rancho Field Office
224 Unser Blvd.
Rio Rancho, New Mexico 87124
Telephone (505) 892-4483
Fax (505) 892-4816

EXHIBIT G



RON CURRY
Secretary

CINDY PADILLA
Deputy Secretary

ANA MARIE ORTIZ
Director

June 15, 2006

Brad Stableton
Sandoval County Planning & Zoning
P.O. Box 40
Bernalillo, New Mexico 87004

Re: Petroglyph Trails Subdivision

Dear Mr. Stableton:

The completed proposed package on the referenced development and your request for review and comment was received in this office of the New Mexico Environment Department.

Description

Petroglyph Trails Subdivision is located within Sections 28 and 33 of T13N, R4E north of the Village of Placitas on the north side of New Mexico Highway 165. Approximately 211.2479 acres will be subdivided into approximately 160 lots. The lots will range from 0.75 to 4.6 acres.

Water Quality

The subdivider is proposing the use of shared well associations. The lot owners will be required to sign an agreement to become members of the well association to establish fees and provide maintenance.

A water quality analysis of water samples obtained from a well located in the proposed subdivision has been submitted as representative of the ground water quality available at the subdivision. The water did not exceed any MCL (Maximum Contaminant Level) set for the primary (health related) and secondary (esthetic related) parameters. The subdivider is capable of providing drinking water that is of acceptable quality for human consumption.

Liquid Waste Disposal

The subdivider is proposing the use of individual liquid waste systems (septic tank systems) provided by the lot purchaser. Soils, topographic, and drainage information has been submitted to show the suitability of the site for the installation and functioning of septic tank systems (septic tank/absorption field). Based on this information the subdivider's proposal concerning liquid waste disposal facilities can be fulfilled by the lot purchaser.

Installation of on-site liquid waste systems permitted pursuant to the Environmental Improvement Board's Liquid Waste Disposal Regulations (20.7.3 NMAC) in areas with steep slopes, bedrock, unsuitable soils, or fast percolating soils may require site modification and/or the use of alternative systems designed by a professional engineer.

Solid Waste Disposal

The subdivider is proposing lot owners responsibility for offsite disposal of solid wastes by subscription to a private refuse collection/disposal service provided by an independent contractor. Documentation of the availability of refuse collection/disposal service has been submitted.

Use of a private refuse collection/disposal service by the lot purchaser is sufficient to fulfill the solid waste disposal requirements of the subdivision. The lot purchaser can fulfill the subdivider's solid waste disposal proposal.

The preceding comments and opinions on the water quality, liquid waste disposal, and solid waste disposal proposals for the proposed Petroglyph Trails Subdivision were made in response to a request by the County of Sandoval as provided for in the New Mexico Subdivision Act. The comments and opinions are not a recommendation for or an endorsement of the proposed subdivision by the New Mexico Environment Department.

If I can be of further assistance in this matter, please do not hesitate to contact me.

For the Department,

New Mexico Environment Department

Cc: Solid Waste Bureau
Drinking Water Bureau
File



ENERGY LABORATORIES, INC. • P.O. Box 30916 • 1120 South 27th Street • Billings, MT 59107-0916
 800-735-4489 • 406-252-6325 • 406-252-6069 fax • all@energylab.com

EXHIBIT H

LABORATORY ANALYTICAL REPORT

Client: Hall Environmental-Albuquerque
 Project: Anasazi
 Lab ID: B02050381-001
 Client Sample ID: Anasazi 1, 0205036-01A

Report Date: 08/05/02
 Collection Date: 05/05/02 12:20
 Date Received: 05/07/02
 Matrix: DRINKING WATER

Analyses	Result	Units	Qual	MCL/		Method	Analysis Date / By
				RL	QCL		
PHYSICAL PROPERTIES							
pH	7.4	s.u.		0.1		E150.1	05/07/02 17:28 / amk
Color	ND	o.u.				A2120.B	05/08/02 08:00 / amk
Odor	none					A2150.B	05/08/02 08:00 / amk
Surfactants, MBAS	ND	mg/L	H	1.0		E425.1	05/08/02 08:00 / amk
Langellar Index	0.1			0.1		A203	05/14/02 18:20 / ldv
Turbidity	0.85	NTU	H	0.01		E180.1	05/08/02 08:30 / ldp
Solids, Total Dissolved TDS @ 180 C	459	mg/L		10		A2540.C	05/09/02 08:23 / amk
INORGANICS							
Alkalinity, Total as CaCO3	215	mg/L		4		A2320.B	05/08/02 15:57 / ldv
Chloride	85	mg/L		1		E300.0	05/08/02 15:26 / ldv
Sulfate	57	mg/L		1		E300.0	05/08/02 15:26 / ldv
Fluoride	0.36	mg/L		0.10		A4500-F.C	05/09/02 09:00 / dir
A/C Balance Sigma	-0.03			0.01		Calculation	05/14/02 16:20 / ldv
NUTRIENTS							
Nitrogen, Nitrate+Nitrite as N	0.14	mg/L		0.05	10	E363.2	05/13/02 13:27 / bla
METALS, TOTAL							
Aluminum	ND	mg/L		0.1		E200.8	05/15/02 16:13 / jfw
Antimony	ND	mg/L		0.003	0.005	E200.8	05/15/02 16:13 / jfw
Arsenic	0.024	mg/L		0.005	0.01	E200.8	05/15/02 16:13 / jfw
Arsenic	0.023	mg/L		0.005	0.01	E200.8	05/15/02 16:13 / lab
Barium	ND	mg/L		0.1	2	E200.7	05/13/02 16:41 / rth
Beryllium	ND	mg/L		0.001	0.004	E200.7	05/13/02 16:41 / rth
Cadmium	ND	mg/L		0.001	0.005	E200.7	05/13/02 16:41 / rth
Calcium	85	mg/L		1		E200.7	05/13/02 16:41 / rth
Chromium	ND	mg/L		0.01	0.1	E200.7	05/13/02 16:41 / rth
Copper	ND	mg/L		0.01		E200.7	05/13/02 16:41 / rth
Iron	0.17	mg/L		0.03		E200.7	05/13/02 16:41 / rth
Lead	ND	mg/L		0.005		E200.8	05/15/02 16:13 / jfw
Magnesium	10	mg/L		1		E200.7	05/13/02 16:41 / rth
Manganese	ND	mg/L		0.01		E200.7	05/13/02 16:41 / rth
Mercury	ND	mg/L		0.0002	0.002	E200.8	05/15/02 16:13 / jfw
Nickel	ND	mg/L		0.01	0.1	E200.8	05/15/02 16:13 / jfw
Potassium	18	mg/L		1		E200.7	05/13/02 16:41 / rth
Selenium	ND	mg/L		0.005	0.05	E200.8	05/15/02 16:13 / jfw
Sodium	62	mg/L		1		E200.7	05/13/02 16:41 / rth

Report Definitions: RL - Analyte reporting limit, QCL - Quality control limit, * - The result exceeds the MCL.

MCL - Maximum contaminant level, ND - Not detected at the reporting limit, H - Analysis performed past recommended holding time.



LABORATORY ANALYTICAL REPORT

Client: Hall Environmental-Albuquerque
 Project: Anasazi
 Lab ID: B02050381-001
 Client Sample ID: Anasazi 1, 0205036-01A

Report Date: 08/05/02
 Collection Date: 05/05/02 12:20
 Date Received: 05/07/02
 Matrix: DRINKING WATER

Analytes	Result	Units	Qual	MCL/		Method	Analysis Date / By
				RL	QCL		
METALS, TOTAL							
Thallium	ND	mg/L		0.001	0.002	E200.6	05/16/02 16:13 / jhw
Zinc	0.03	mg/L		0.01		E200.7	05/13/02 16:41 / rjh
RADIONUCLIDES (CONTRACT LAB WY000002)							
Gross Alpha	1.4	µCi/L		1.0	16	E900.0	05/12/02 14:11 / sc
Gross Alpha Precision	1.3	±				E900.0	05/12/02 14:11 / sc
VOLATILE ORGANIC COMPOUNDS							
Benzene	ND	ug/L		0.50	5	E524.2	05/17/02 12:42 / hjc
Bromobenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Bromochloromethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Bromodichloromethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Bromoform	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Bromomethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
n-Butylbenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
sec-Butylbenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
tert-Butylbenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Carbon tetrachloride	ND	ug/L		0.50	5	E524.2	05/17/02 12:42 / hjc
1,2-Dichloroethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Chlorobenzene	ND	ug/L		0.50	100	E524.2	05/17/02 12:42 / hjc
Chlorodibromomethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Chloroethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Chloroform	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Chloromethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
2-Chlorotoluene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
4-Chlorotoluene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
1,2-Dibromo-3-chloropropane	ND	ug/L		1.0		E524.2	05/17/02 12:42 / hjc
Dibromomethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
1,2-Dichlorobenzene	ND	ug/L		0.50	500	E524.2	05/17/02 12:42 / hjc
1,3-Dichlorobenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
1,4-Dichlorobenzene	ND	ug/L		0.50	75	E524.2	05/17/02 12:42 / hjc
Dichlorodifluoromethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
1,1-Dichloroethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
1,2-Dibromoethane	ND	ug/L		0.50	5	E524.2	05/17/02 12:42 / hjc
1,1-Dichloroethane	ND	ug/L		0.50	7	E524.2	05/17/02 12:42 / hjc
cis-1,2-Dichloroethane	ND	ug/L		0.50	70	E524.2	05/17/02 12:42 / hjc
trans-1,2-Dichloroethane	ND	ug/L		0.50	100	E524.2	05/17/02 12:42 / hjc
1,2-Dichloropropane	ND	ug/L		0.50	5	E524.2	05/17/02 12:42 / hjc

Report: RL - Analyte reporting limit.
 Definitions: QCL - Quality control limit.

MCL - Maximum contaminant level.
 ND - Not detected at the reporting limit.



LABORATORY ANALYTICAL REPORT

Client: Huff Environmental-Albuquerque
 Project: Anasazi
 Lab ID: B02050381-001
 Client Sample ID: Anasazi 1, 0205036-01A

Report Date: 08/05/02
 Collection Date: 05/05/02 12:30
 Date Received: 05/07/02
 Matrix: DRINKING WATER

Analyses	Result	Units	Qual	MCL/		Method	Analysis Date / By
				RL	QCL		
VOLATILE ORGANIC COMPOUNDS							
1,3-Dichloropropane	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
2,2-Dichloropropane	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
1,1-Dichloropropene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
cis-1,3-Dichloropropene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
trans-1,3-Dichloropropene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Ethylbenzene	ND	ug/L		0.50	700	E624.2	05/17/02 12:42 / hjc
Hexachlorobutadiene	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
Isopropylbenzene	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
p-Isopropyltoluene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Methyl tert-butyl ether (MTBE)	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
Methylene chloride	ND	ug/L		0.50	5	E524.2	05/17/02 12:42 / hjc
Naphthalene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
n-Propylbenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Styrene	ND	ug/L		0.50	100	E524.2	05/17/02 12:42 / hjc
1,1,1,2-Tetrachloroethane	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
1,1,2,2-Tetrachloroethane	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
Tetrachloroethane	ND	ug/L		0.50	5	E624.2	05/17/02 12:42 / hjc
Toluene	ND	ug/L		0.50	1000	E524.2	05/17/02 12:42 / hjc
1,2,3-Trichlorobenzene	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
1,2,4-Trichlorobenzene	ND	ug/L		0.50	70	E524.2	05/17/02 12:42 / hjc
1,1,1-Trichloroethane	ND	ug/L		0.50	200	E524.2	05/17/02 12:42 / hjc
1,1,2-Trichloroethane	ND	ug/L		0.50	5	E524.2	05/17/02 12:42 / hjc
Trichloroethene	ND	ug/L		0.50	5	E524.2	05/17/02 12:42 / hjc
Trichlorofluoromethane	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
1,2,3-Trichloropropane	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
Tribromomethanes, Total	ND	ug/L			50	E624.2	05/17/02 12:42 / hjc
1,2,4-Trimethylbenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
1,3,5-Trimethylbenzene	ND	ug/L		0.50		E524.2	05/17/02 12:42 / hjc
Vinyl chloride	ND	ug/L		0.50	2	E524.2	05/17/02 12:42 / hjc
m,p-Xylenes	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
o-Xylene	ND	ug/L		0.50		E624.2	05/17/02 12:42 / hjc
Xylenes, Total	ND	ug/L			10000	E524.2	05/17/02 12:42 / hjc
Sum: p-Bromofluorobenzene	118	%REC			80-120	E624.2	05/17/02 12:42 / hjc
Sum: 1,2-Dichloroethane-d4	105	%REC			74-127	E524.2	05/17/02 12:42 / hjc
Sum: Toluene-d8	109	%REC			80-120	E524.2	05/17/02 12:42 / hjc
SEMI-VOLATILE ORGANIC COMPOUNDS							
Arochlor	ND	ug/L		0.10	2	E625.2	05/14/02 07:31 / raf

Report Definition: RL - Analyis reporting limit.
 QCL - Quality control limit

MCL - Maximum contaminant level.
 ND - Not detected at the reporting limit.



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 800-735-4489 • 406-252-6325 • 406-252-6069 fax • elli@energylab.com

LABORATORY ANALYTICAL REPORT

Client: Hall Environmental-Albuquerque
 Project: Anasazi
 Lab ID: T02050381-001
 Client Sample ID: Anasazi 1, 0205036-01A

Report Date: 08/05/02
 Collection Date: 05/05/02 12:20
 Date Received: 05/07/02
 Matrix: DRINKING WATER

Analyses	Result	Units	Qual	MCL/		Method	Analysis Date / By
				RL	QCL		
SEMI-VOLATILE ORGANIC COMPOUNDS							
Aldrin	ND	ug/L		0.10		E525.2	05/14/02 07:31 / raf
Aldrin	ND	ug/L		0.10	3	E526.2	05/14/02 07:31 / raf
Benzo(a)pyrene	ND	ug/L		0.10	0.2	E525.2	05/14/02 07:31 / raf
bis(2-ethylhexyl)Adipate	ND	ug/L		0.50	400	E525.2	05/14/02 07:31 / raf
bis(2-ethylhexyl)Phthalate	ND	ug/L		2.0	8	E526.2	05/14/02 07:31 / raf
Bulachlor	ND	ug/L		0.10		E525.2	05/14/02 07:31 / raf
Chlordane	ND	ug/L		1.0	2	E525.2	05/14/02 07:31 / raf
Dieldrin	ND	ug/L		0.10		E525.2	05/14/02 07:31 / raf
Endrin	ND	ug/L		0.10	2	E525.2	05/14/02 07:31 / raf
gamma-BHC (Lindane)	ND	ug/L		0.10	0.2	E526.2	05/14/02 07:31 / raf
Heptachlor	ND	ug/L		0.10	0.4	E525.2	05/14/02 07:31 / raf
Heptachlor epoxide	ND	ug/L		0.10	0.2	E525.2	05/14/02 07:31 / raf
Hexachlorobenzene	ND	ug/L		0.10	1	E525.2	05/14/02 07:31 / raf
Hexachlorocyclopentadiene	ND	ug/L		0.10	50	E525.2	05/14/02 07:31 / raf
Methoxychlor	ND	ug/L		0.10	40	E525.2	05/14/02 07:31 / raf
Metolachlor	ND	ug/L		0.10		E526.2	05/14/02 07:31 / raf
Metribuzin	ND	ug/L		0.10		E525.2	05/14/02 07:31 / raf
Propachlor	ND	ug/L		0.10		E525.2	05/14/02 07:31 / raf
Simazine	ND	ug/L		0.10	4	E525.2	05/14/02 07:31 / raf
Toxaphene	ND	ug/L		2.0	3	E525.2	05/15/02 02:44 / raf
Sum: Perylene-d12	05.8	%REC			70-130	E525.2	05/14/02 07:31 / raf
PESTICIDES (CONTRACT LAB WY00002)							
1,2,3-Trichloropropane	ND	ug/L		0.050		E504.1	05/12/02 13:36 / flo
1,2-Dibromo-3-chloropropane	ND	ug/L		0.020	0.2	E504.1	05/12/02 13:36 / flo
1,2-Dibromoethane	ND	ug/L		0.010	0.05	E504.1	05/12/02 13:36 / flo
Sum: 1,1,1,2-Tetrachloroethane	08.0	%REC			70-130	E504.1	06/12/02 13:36 / flo
PESTICIDES, BY HPLC (CONTRACT LAB WY00002)							
Aldicarb	ND	ug/L		0.50	3	E531.1	05/25/02 03:35 / wen
Aldicarb sulfone	ND	ug/L		0.50	2	E531.1	05/25/02 03:35 / wen
Aldicarb sulfoxide	ND	ug/L		0.50	4	E531.1	05/25/02 03:35 / wen
Carbaryl	ND	ug/L		0.80		E531.1	05/25/02 03:35 / wen
Carbofuran	ND	ug/L		0.50	40	E531.1	05/25/02 03:35 / wen
3-Hydroxycarbofuran	ND	ug/L		0.50		E531.1	05/25/02 03:35 / wen
Methiocarb	ND	ug/L		0.50		E531.1	05/25/02 03:35 / wen
Methomyl	ND	ug/L		0.50		E531.1	05/25/02 03:35 / wen
Oxamyl	ND	ug/L		0.50	200	E531.1	05/25/02 03:35 / wen

Report Definitions: RL - Analyte reporting limit.
 QCL - Quality control limit.

MCL - Maximum contaminant level.
 ND - Not detected at the reporting limit.



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LABORATORY ANALYTICAL REPORT

Client: Hall Environmental-Albuquerque
 Project: Anasazi
 Lab ID: B02050381-001
 Client Sample ID: Anasazi 1, 0205036-01A

Report Date: 08/05/02
 Collection Date: 05/05/02 12:30
 Date Received: 05/07/02
 Matrix: DRINKING WATER

Analyses	Result	Units	Qual	MCL/		Method	Analysis Date / By
				RL	QCL		
PESTICIDES, BY HPLC (CONTRACT LAB WY00002)							
Baygon	ND	ug/L		0.50		E531.1	05/25/02 03:35 / wen
Surr: BDMC	102	%REC			70-130	E531.1	05/25/02 03:35 / wen

PESTICIDES (CONTRACT LAB WY00002)							
Aldicarb	ND	ug/L		0.20	2	E505	05/12/02 22:05 / rlo
Aldrin	ND	ug/L		0.010		E505	05/12/02 22:05 / rlo
PCBs, Total	ND	ug/L		0.50	0.5	E505	05/12/02 22:05 / rlo
Atrazine	ND	ug/L		0.30	3	E505	05/12/02 22:05 / rlo
gamma-BHC (Lindane)	ND	ug/L		0.020	0.2	E505	05/12/02 22:05 / rlo
Chlordane	ND	ug/L		0.20	2	E505	05/12/02 22:05 / rlo
Dieldrin	ND	ug/L		0.10		E505	05/12/02 22:05 / rlo
Endrin	ND	ug/L		0.010	2	E505	05/12/02 22:05 / rlo
Heptachlor	ND	ug/L		0.040	0.4	E505	05/12/02 22:05 / rlo
Heptachlor epoxide	ND	ug/L		0.020	0.2	E505	05/12/02 22:05 / rlo
Hexachlorobenzene	ND	ug/L		0.10	1	E505	05/12/02 22:05 / rlo
Hexachlorocyclopentadiene	ND	ug/L		0.10	50	E505	05/12/02 22:05 / rlo
Methoxychlor	ND	ug/L		0.10	40	E505	05/12/02 22:05 / rlo
Simazine	ND	ug/L		2.0	4	E505	05/12/02 22:05 / rlo
Toxaphene	ND	ug/L		1.0	3	E505	05/12/02 22:05 / rlo
Surr: Tetrachloro-m-xylene	105	%REC			70-130	E505	05/12/02 22:05 / rlo
Surr: Decachlorobiphenyl	107	%REC			80-140	E505	05/12/02 22:05 / rlo

HERBICIDES							
2,4-D	ND	ug/L		1.0	70	E515.1	05/16/02 04:44 / jkh
2,4-DB	ND	ug/L		2.5		E515.1	05/16/02 04:44 / jkh
Delapone	ND	ug/L		2.5	200	E515.1	05/16/02 04:44 / jkh
Dicamba	ND	ug/L		0.25		E515.1	05/16/02 04:44 / jkh
Dichlorprop	ND	ug/L		1.0		E515.1	05/16/02 04:44 / jkh
Glifosab	ND	ug/L		1.0	7	E515.1	05/16/02 04:44 / jkh
Pentachlorophenol	ND	ug/L		0.040	1	E515.1	05/16/02 04:44 / jkh
Picloram	ND	ug/L		0.50	300	E515.1	05/16/02 04:44 / jkh
2,4,5-TP (Silvex)	ND	ug/L		0.20	50	E515.1	05/16/02 04:44 / jkh
Surr: DCAA	86.2	%REC	B		70-130	E515.1	05/16/02 04:44 / jkh

Report: RL - Analyte reporting limit.
 Non-detects: QCL - Quality control limit.
 B - The analyte was detected in the method blank.

MCL - Maximum contaminant level.
 ND - Not detected at the reporting limit.



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LABORATORY ANALYTICAL REPORT

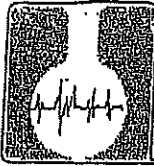
Client: Hall Environmental-Albuquerque
 Project: Anasazi
 Lab ID: B02050381-002
 Client Sample ID: Trip Blank

Report Date: 08/05/02
 Collection Date: 05/05/02 12:20
 Date Received: 05/07/02
 Matrix: TRIP BLANK

Analyses	Result	Units	Qual	MCL/		Method	Analysis Date / By
				RL	QCL		

Report RL - Analyte reporting limit.
 Definitions QCL - Quality control limit.

MCL - Maximum contaminant level.
 ND - Not detected at the reporting limit.



**ASSAIGAL
ANALYTICAL
LABORATORIES, INC.**

P.O. Box 90430 • Albuquerque, New Mexico 87199 • (505) 345-8964 • FAX (505) 345-7259

3332 Wedgewood, E-5 • El Paso, Texas 79925 • (915) 593-6000 • FAX (915) 593-7820

127 Eastgate Drive, 212-C • Los Alamos, New Mexico 87544 • (505) 662-2558

DELASHE LLC
attn: SUE
46 SANDIA LANE
PLACITAS

NM 87043

B	analyte detected in Method Blank
E	result is estimated
H	analyzed out of hold time
N	tentatively identified compound
S	subcontracted
1-8	see footnote

Assaigal Analytical Laboratories, Inc.
Certificate of Analysis

STANDARD

Client: DELASHE LLC
Project: ANASAZI TRAILS
Order: 0209098 DEL06 Receipt: 09-05-02

William R. Blava
William R. Blava, President of Assaigal Analytical Laboratories, Inc.

Sample: ANASAZI TRAILS
Matrix: W

Collected: 09-05-02 18:26:00 By:

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0209098-01A			EPA 425.1 Surfactants (MBAS)					By: KAR		
W02836	WC.2002.1183.3		Surfactants	ND	mg / L	1	0.03		08-11-02	08-11-02
0209098-01B			EPA 4.1.3/200.7 ICP					By: CWJ		
M021223	MT.2002.1070.37	7440-70-2	Calcium	63.3	mg / L	1	0.4		08-10-02	08-10-02
M021223	MT.2002.1070.37	7438-96-4	Magnesium	10.0	mg / L	1	0.1		08-10-02	08-10-02
M021223	MT.2002.1070.19	7440-22-4	Silver	ND	mg / L	1	0.01		08-10-02	08-10-02
0209098-01B			SM 2340B					By: MAJ		
HARD	MT.2002.1082.2		Hardness, as CaCO3	199	mg / L	1	0		08-18-02	08-18-02
0209098-01C			EPA 160.1 pH, Electrometric					By: NL		
WPH02103	WC.2002.1205.1		pH	7.6	units	1	0.1		08-06-02	08-06-02
0209098-01C			EPA 160.1 Total Dissolved Solids					By: MVR		
WTDS-02-043	WC.2002.1202.21		Total Dissolved Solids	475	mg/L	1	10		09-09-02	09-10-02
0209098-01C			EPA 310.1 Alkalinity, Titrimetric					By: RAC		
ALK0242	WC.2002.1221.2		Alkalinity, Bicarbonate	216	mg / L	1	2		08-17-02	08-17-02
ALK0242	WC.2002.1221.2		Alkalinity, Carbonate	ND	mg / L	1	2		08-17-02	08-17-02
ALK0242	WC.2002.1221.2		Alkalinity, Total	216	mg / L	1	2		08-17-02	08-17-02
0209098-01C			SM 2330B					By: MAJ		
LANG	WC.2002.1230.1		Langlier Saturation Index	0.17	N/A	1	0		09-18-02	09-19-02
0209098-01D			EPA 100.2					By: JM		
QTMD209TA076634 SB.2002.288.1			Amphibole Asbestos	ND	MFL	1	0.119	S	08-11-02	08-11-02
QTMD209TA076634 SB.2002.288.1			Chrysotile Asbestos	ND	MFL	1	0.119	S	08-11-02	08-11-02



Assaigal Analytical Laboratories, Inc.

Certificate of Analysis

Client: DELASHE LLC
 Project: ANASAZI TRAILS
 Order: 0209098 DEL06 Receipt: 09-05-02

Sample: ANASAZI TRAILS Collected: 09-05-02 16:25:00 By:
 Matrix: W

QC Group	Run Sequence	CAS #	Analyte	Result	Units	Dilution Factor	Detection Limit	Code	Prep Date	Run Date
0209098-01E			EPA 336.2 / SM 4500 CN-C Total Cyanide					By: DH		
W02359	WG.2002.1165.11	57-12-5	Cyanide, Total	ND	mg / L	1	0.01		09-09-02	09-10-02

Unless otherwise noted, all samples were received in acceptable condition and all sampling was performed by client or client representative. Sample result of ND indicates Not Detected, ie result is less than the sample specific Detection Limit. Sample specific Detection Limit is determined by multiplying the sample Dilution Factor by the listed Reporting Detection Limit. All results relate only to the items tested. Any miscellaneous workorder information or footnotes will appear below.

EXHIBIT I



LEGEND:

BOULDER HOLLOW

CONTOUR LINE

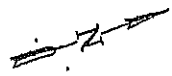
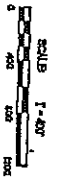
FLOOD PLAIN 100-YR

SUBDIVISION BOUNDARY

STEEP AREAS WITH SLOPES > 25%

NOTES:

NATIVE VEGETATION CONSISTS OF GRASSES, SCATTERED JUNIPER AND CHITLA-TYPICAL OF GREAT BASIN BRUSHSTAIN, GRASSLAND (CULTURAL RESOURCE SURVEY OF THE BUREAU OF LAND MANAGEMENT, TRAVIS, 2002).



CITY/COUNTY REVIEW			PETROGLYPHS TRAILS SUBDIVISION	REVISION			
DEPARTMENT	SIGN-OFF	DATE		NO.	REVISION	BY	DATE
WATERWAY DEPT. DIV.							
URBAN SERVICES							
SUBDIVISION DIV.							
STAFF							

PROJECT:	DRAWN BY:
DATE:	CHECKED BY:
	APPROVED BY:

NATURAL FEATURES MAP



**PETROGLYPH TRAILS
A PROPOSED TYPE TWO SUBDIVISION**

**REVIEW OF TERRAIN MANAGEMENT SUFFICIENT TO
PROTECT AGAINST FLOODING, INADEQUATE DRAINAGE
OR EROSION FOR AND DURING THE DEVELOPMENT OF
A PROPOSED SUBDIVISION ON 211.2479 ACRES, LOCATED
WITHIN SECTIONS 28 AND 33,
TOWNSHIP 13 NORTH, RANGE 4 EAST,
FELIPE GUTIERREZ GRANT,
SANDOVAL COUNTY, NEW MEXICO.**

Prepared by

Gregory A. Smestad

SANDOVAL COUNTY
RECEIVED

JUN 23 2006

P & Z DEPT.

Prepared For

**Coronado Soil & Water Conservation District
P.O. Box 69
Bernalillo, New Mexico 87004**

June 20, 2006

Brad Stebleton, Senior Planner
Sandoval County Planning and Zoning
P.O. Box 40
Bernalillo, NM 87004

SUBJECT: Petroglyph Trails Subdivision Proposal

The Coronado Soil and Water Conservation District has reviewed the subdivision submittal for Petroglyph Trails. The proposal is for a type two sub-division on 211.2479 acres located in Sections 28 & 33, Township 13 North, Range 4 East, Felipe Gutierrez Grant, Sandoval County, New Mexico. The sub-divider proposes developing the land into 160 lots. Lot sizes range from .75 to 4.60 acres.

Our comments and opinions are based on both field checks and review of submittal.

SUMMARY:

The District believes this proposal provides terrain management plans sufficient to protect against flooding, inadequate drainage, or erosion for and during the development of Petroglyph Trails Sub-division. However, the district has provided additional comments and recommendations herein that can be of value and can provide options for terrain management to the developer/sub-divider and potential buyers/home builders and residents of Petroglyph Trails Sub-division.

GENERAL COMMENTS:

The submittal for Petroglyph Trails Sub-division has a Terrain Management Plan, Section 11. However, terrain management elements – paramount to successful terrain management practices and necessary vital information that provided the supporting documentation for the District's opinion that the submittal provides sufficient terrain management – are scattered through-out the submittal.

Terrain Management Plan, Section 11, pertains mostly to the development proposed by the developer, such as roads, road-side swales, culverts, off-site and on-site drainage etc. Terrain Management practice requirements that must be employed by the contractor of a new home or homeowner are contained in Comprehensive Declarations of Covenants, Conditions and Restrictions (CDCCR) and the Disclosure Statement as well as the Terrain Management Plan, Section 11. The way this information is structured within the document can be unclear and confusing to potential buyers or contractors. The sub-divider and consulting engineer should recognize this and at least reference elements that pertain to terrain management in a way that makes their connection to successful terrain management and the terrain management plan, easily understood by potential buyers of parcels, even when the administration and or purpose of these practices are categorized under other sections in the submittal. A simple list of the responsibilities of a potential homeowner taken from the CDCCR and Disclosure Statement and inserted into the Terrain Management Plan Section would be easy and effective.

For example, a check list for owners could be included in the Terrain Management Plan Section and look like this:

Terrain Management responsibilities for lot owner are covered under the following:

1. CDCCR Article VI, Section 6.3, Terrain Management.
 - (a) On-Site Detention
 - (b) Sloping
 - (c) Prohibition Against Building in 100-Year Flood Plain
 - (d) Soil Considerations

2. Disclosure Statement, number 26. Terrain Management

- (a) Soil Types, Location and Suitability
- (b) Soil and Topographic Limitations and Purchaser's Duty to Consult Independently with Geotechnical Engineer
- (c) Lot Owners/Mitigation of Post Development Drainage
- (d) Drainage Easements and Flood Plain & Exhibit O
- (e) Excessive Slope
- (f) Surface Drainage
- (g) Subsurface Drainage, Storm Drainage Systems, and Purchaser's Duties Regarding Erosion Control & Exhibits E, J
- (h) Storm Water Pollution Prevention Plan Required by Environmental Protection Agency

Noting that the lot purchaser must be responsible for any required permits, such as Top Soil Disturbance Permit, and other temporary measures to prevent erosion during the construction phase of an owner's lot.

As the regulations require that run-off shall be maintained on the lot, the District offers the following options to ponds that could put water to a more beneficial use, keeping in mind that the containment volumes must be calculated and sized for impermeable surfaces built on the lot. Options can include:

- Water Harvesting Cistern: This option will allow the lot owner to increase their water consumption restraints in equal proportion to the cistern storage capacity. Cistern water can be used to irrigate household garden, wash vehicles etc.
- Water Harvesting Swales: Swales will apply beneficial water to native vegetation or household garden. Where soil and slope permits, swales can be built to harvest run-off water. Swales should be included into the initial design concept for site development and terrain management.
- Seasonal Wildlife Pond: This option can be used in conjunction with other options mentioned. Run-off water will enhance wildlife habitat for birds and bats when a small lined pond is constructed and maintained.

The Terrain Management Plan emphasizes that run-off retention must be built at the onset of construction so that protection is provided during construction. The District believes that this is a sound recommendation.

The Plan requires that any native vegetation disturbed during construction be replaced in kind or equal by the homebuilder or homeowner. Once again the District applauds this inclusion. Native grass mixture for the site recommended by the District is as follows: approximately 30% Black Grama, 25% Side-Oats Grama, 25% Blue Grama, 10%

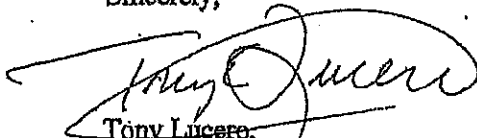
Western Wheat Grass, 3% Galleta, 3% New Mexico Feather Grass, 3% New Mexico Muhly.

Overall, this is good terrain management. However, oversight of terrain management sufficient to protect against flooding, inadequate drainage or erosion for and during the development of the proposed 160 lots, is placed on the Architectural Control Committee (ACC) as defined in Petroglyph Trails Comprehensive Declarations of Covenants, Conditions and Restrictions. The lot owner must submit a detailed development plan to the ACC, and such plan must be approved in writing prior to the commencement of construction of any improvement.

Therefore, the effectiveness of terrain management through General guidelines, advice, recommendations and data offered through Comprehensive Declarations of Covenants, Conditions and Restrictions, Disclosure Statement, and Terrain Management Plan portions of this proposal pertaining to future lot owners shall be determined by the effectiveness of the ACC.

This review is provided by the Coronado Soil and Water Conservation District in response to a request by the Sandoval County Commission, as provided for by agreement and state law. The comments and opinions contained herein are only such, and do not constitute endorsement or recommendation for approval of the proposed Wild Horse Mesa Subdivision by the District. We will be pleased to review and comment on any additional materials submitted by the sub-divider.

Sincerely,



Tony Lucero,
Chairman

GUIDELINES FOR STORM WATER DETENTION AREAS

PETROGLYPH TRAILS SUBDIVISION PLACITAS, NEW MEXICO

Purpose:

The Development Plan for Placitas Area of Sandoval County states, "All run-off water generated on any developed lot through introduction of impermeable surfaces shall be maintained either on the lot in an on-site pond or cistern, or maintained in centralized storm water retention ponds within the development, or the lot owner may direct newly created run-off into a natural outlet, but must do so at the same rate and volume as the historical flow."

These guidelines provide general criteria for design, construction, and maintenance of storm water detention areas for individual lots. Incorporation of this criteria will satisfy the terrain management objectives outlined in the Development Plan for Placitas Area of Sandoval County. Lot-specific detention areas should be designed by a professional drainage engineer and certified after the lot is constructed.

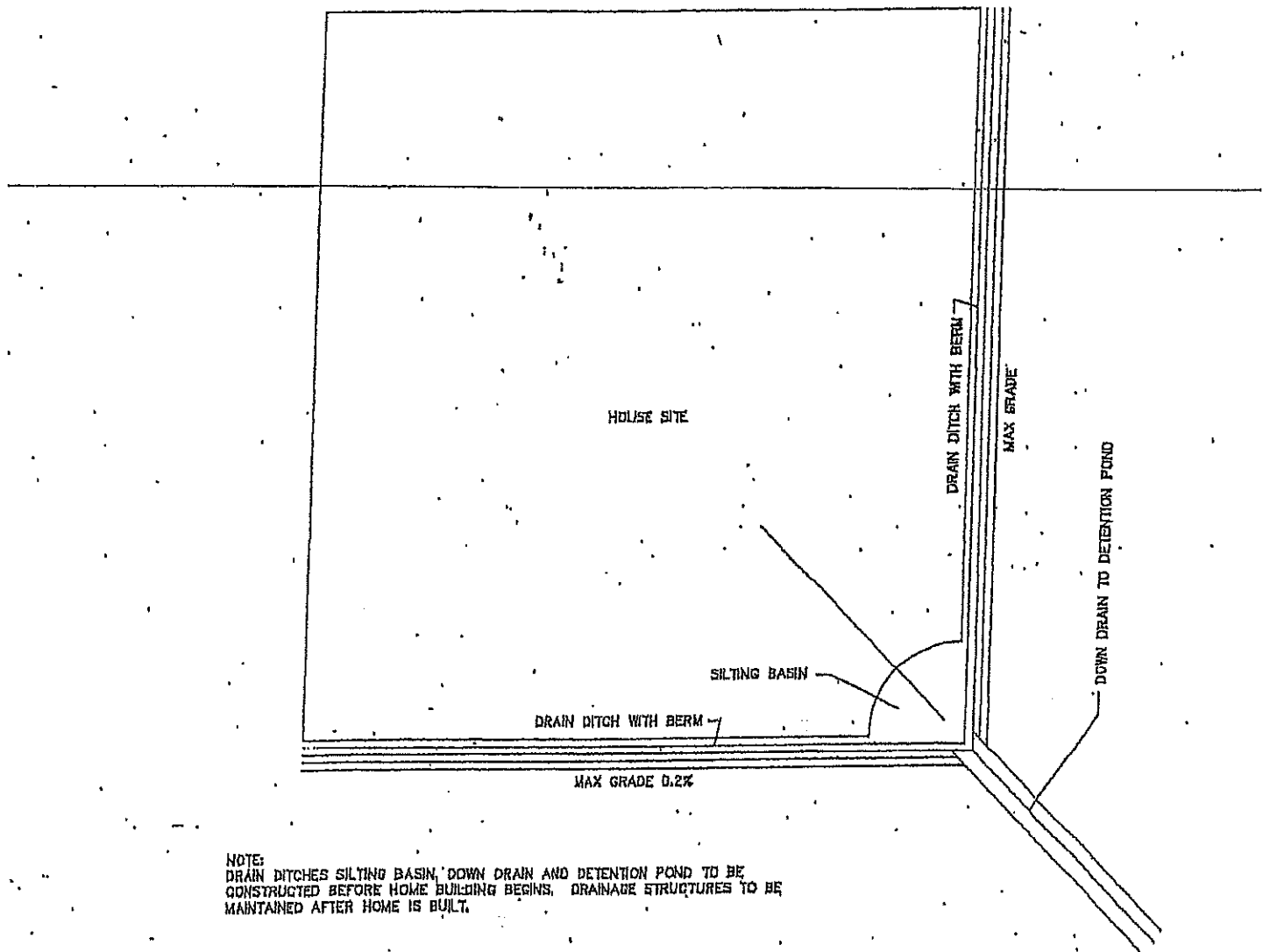
Design Criteria:

Per the Erosion and Drainage Plan for the Anasazi Meadows Subdivision, each lot owner should provide an on-site detention area that will intercept and contain the additional runoff generated from 'Post Development' impermeable surfaces (i.e. about 663 cubic feet per lot).

Guidelines:

- An effort should be made to minimize disturbance of native vegetation, during individual lot development. The length and steepness of newly created slopes should be minimized by benching, terracing, or constructing diversion structures.
- Areas of disturbance should be re-vegetated with appropriate native plant species.
- Entrances to individual lots should be slightly elevated to prevent entry of off-site runoff.
- Sketches of typical configurations for drain ditches, silt basins, down drains, and detention ponds accompany these guidelines.
- Drain ditches, silt basins, and down drains should be designed to intercept and convey runoff from 'Post Development' impermeable surfaces to an on-site detention area. Several small detention areas may be constructed in lieu of one larger detention area.
- Detention ponds should have a minimum capacity of 663 square feet, but will need to be designed based on the final layout and the impermeable surface. Pond depths should not exceed 2 feet. Each detention pond shall have principal and emergency spillways.
- Detention ponds should have a minimum offset of 10 feet from any foundation footing. Detention ponds should have a minimum offset of 25 feet from any on-site liquid waste disposal system.
- Detention pond slopes should be stabilized with native grasses. Drain ditches, silt basins, down drains, detention ponds, and principal and emergency spillways should be inspected at least annually, prior to the rainy season. All areas of soil erosion should be repaired. Sediment and debris should be removed from the detention pond invert. Any spillway blockages should be removed.

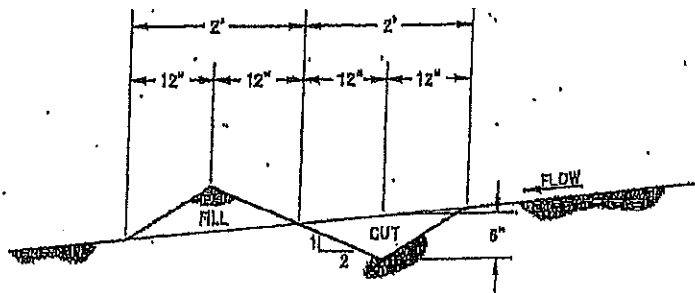
EXHIBIT K



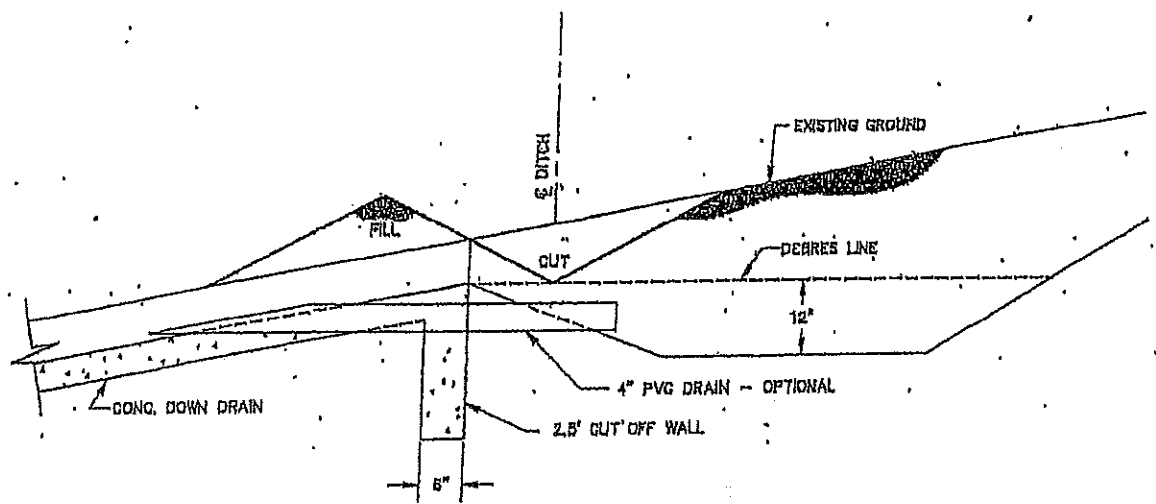
NOTE:
DRAIN DITCHES SILTING BASIN, DOWN DRAIN AND DETENTION POND TO BE
CONSTRUCTED BEFORE HOME BUILDING BEGINS. DRAINAGE STRUCTURES TO BE
MAINTAINED AFTER HOME IS BUILT.

CONSTRUCTION EROSION
CONTROL PLAN

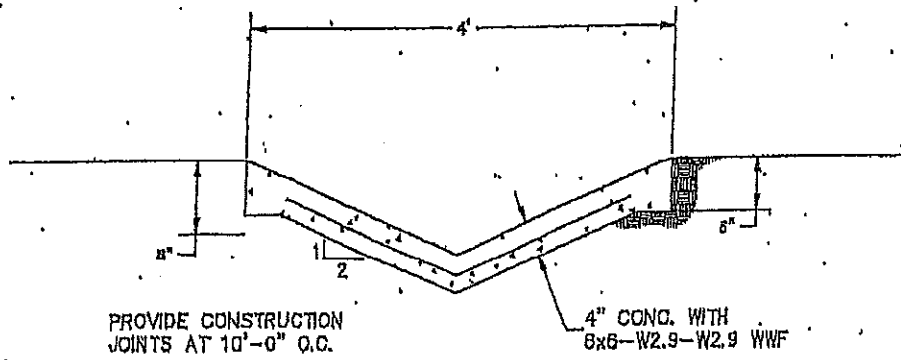
SITE LOCATION



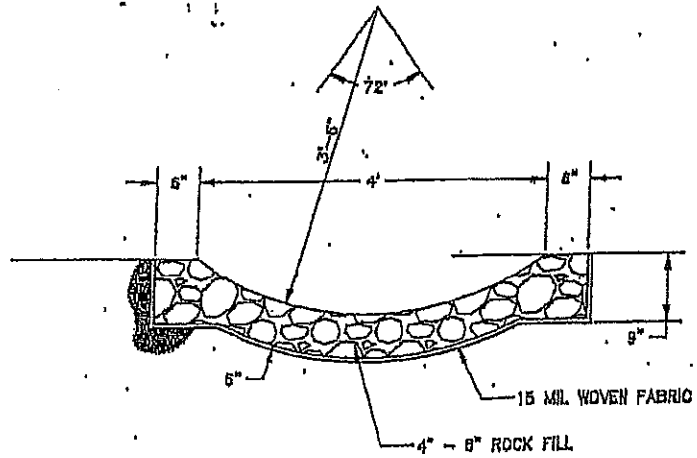
EROSION CONTROL
DRAIN DITCH WITH BERM



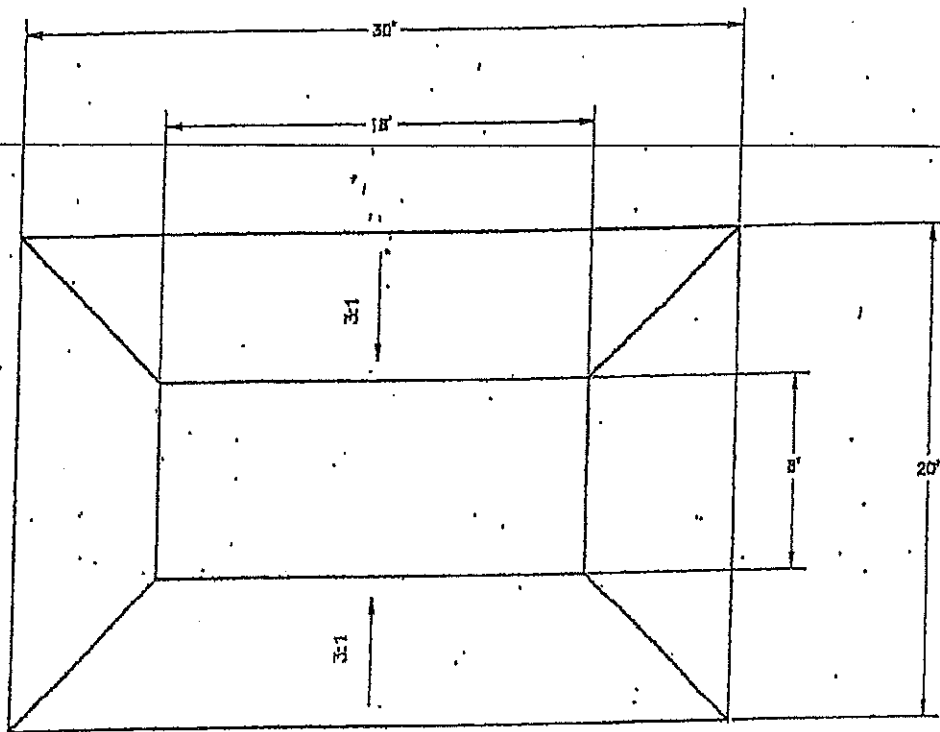
EROSION CONTROL
SILT BASIN
NTS



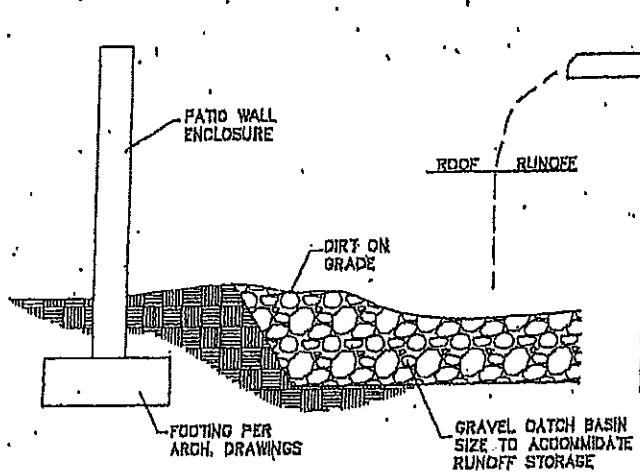
TYPICAL CONCRETE
DOWN DRAIN



TYPICAL ROCK
DOWN DRAIN



TYPICAL DETENTION POND



COURTYARD CATCH
BASIN DETAIL

PETROGLYPH TRAILS LANDSCAPING PLAN

Upon completion of the road and utility construction for Petroglyph Trails Subdivision, which will disturb the smallest amount of native vegetation as possible, the Developer will revegetate the disturbed areas alongside the roads by reseeding with natural seed according to the letter from Coronado Soil & Water dated May 20, 2004, page 6. Native Grass.

In addition, the Developer will actually plant native and low water use plants along roadways and between the roadways and walking paths, as has been done in the Anasazi Trails and Anasazi Meadows Subdivisions. The use of these established plants will insure a greater level of success of this revegetation project as the plants are more drought resistant than seeding.

The Developer and the Homeowners Association will water these areas as needed to further insure success.

PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION
ARCHITECTURAL CONTROL COMMITTEE
LOT DEVELOPMENT PLAN
Demonstrating Drainage Mitigation

HOLD HARMLESS INDEMNIFICATION AGREEMENT

Date: _____

Lot No. _____

Subdivision: _____

_____	_____	_____
Owners' Name (Printed)	Owners' Signature	Date
_____	_____	_____
Owners' Name (Printed)	Owners' Signature	Date
_____	_____	_____
Contractor's Name (Printed)	Contractor's Signature	Date

It is the lot owners' responsibility to provide, implement and maintain pre- and post-construction a development plan that includes measures to control and mitigate the runoff within their respective lot caused by any proposed structure or improvements so as not to exceed historical flow to any other lot, road, or through the subdivision. Based on the lot, the driveway, the soil, and improvements or structures proposed, the lot owner has demonstrated the use of the following: (1) holding ponds, (2) walled courtyard areas to retain runoff, and/or (3) use of dry wells, to reduce the effect of potential increased runoff within the lot. These improvements will be maintained perpetually by the owner of the lot or lots on which the improvements lie. Neither the Declarant, Sandoval County, nor the ACC or property owners' association or any member thereof, shall be liable to any owner, or any other person, associations, or entity, for any damage, loss or prejudice suffered or claimed on account of the approval or disapproval of any development plan and the lot owner shall hold harmless and indemnify each of them against any such claims.

Plan accepted by ACC: _____
Name/ACC Member Date

This form needs to be completed and submitted to the County for a sign-off and then to the Town of Bernalillo in order to obtain a building permit.

ACC Telephone Number: _____
Town of Bernalillo Telephone Number: 867-3311



District Three Office - Albuquerque

August 22, 2005

Mr. Terry O. Brown
P. O. Box 92051
Albuquerque, NM 87199-2051

Subject: Proposed Petroglyph Mesa Development
Placitas, Sandoval County, District Three

Dear Mr. Brown:

I have completed my review of the Draft TIA that was submitted by your office on June 30, 2005 for the Proposed Petroglyph Mesa development in Placitas. The proposed development lies on the east side of the I-25 Frontage Road north of NM 165.

In general, I am in agreement with the analysis that was performed in your report. However, before we provide you with an approval on the TIA that was submitted, I need the following issues addressed in your report:

1. On sheet A-2, please show the distances between the proposed new driveways. Also show the distances between the proposed new driveways and existing driveways north and south of the proposed development. The driveway spacing must conform to our spacing requirements as listed on the State Access Management Manual.
2. On pages 15, 16 and 17, there was no mention of any proposed improvements to Trails Road west at its intersection with NM 165.
3. The proposed development will cause degradation in the operation of several NMDOT intersections. Those intersections are:
 - a. NM 165 and the I-25 Frontage Road
 - b. NB I-25 On/Off ramp and US 550
 - c. SB I-25 On/Off ramp and US 550
 - d. Hill Road and US 550

While we do acknowledge the solution that would solve those operational problems will require the NMDOT to reconstruct the I-25/NM 165/US 550 interchange, we would like to negotiate a minor improvement to the roadway system within the interchange that would help improve the traffic operation within the interchange.

I look forward to meeting with Mr. Tom Ash and yourself to finalize the required offsite mitigation measures for the proposed development.

As part of your final submittal, please do not forget to include a CD with all your traffic operation analysis.

If you have any questions, please feel free to give me a call at 841-2761.

Sincerely,

Tony S. Abbo

Digitally signed by Tony S. Abbo
DN: cn=Tony S. Abbo, o=NMDOT, ou=NMDOT
Reason: I am the author of this document
Date: 2005.08.22 18:12:07 -0500

Tony Abbo, P.E., P.T.O.E.
District Three Traffic Engineer

cc: Julian Vigil
Mir Amiri
File

Bill Richardson
Governor

Rhonda G. Faught P.E.
Cabinet Secretary

Commissioner

Johnny Cope
Chairman
District 2

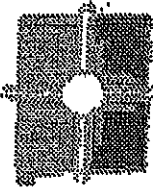
David Schutz
Vice Chairman
District 5

Gregory T. Ortiz
Secretary
District 6

Norman Assed
Commissioner
District 3

Jim Franken
Commissioner
District 4

John L. Hummer
Commissioner
District 1



New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE

District Three Office - Albuquerque

April 20, 2006

Mr. Brad Stebleton
Sandoval County
Public Works
711 Camino Del Pueblo
P. O. Box 40
Bernalillo, New Mexico 87004

Subject: Petroglyph Trails subdivision
Sandoval County, District Three

Dear Mr. Stebleton:

The NMDOT has received a request for comments in conjunction with the proposed Petroglyph Trails subdivision in Placitas. The proposed subdivision is located along the east I-25 Frontage Road in Placitas.

The NMDOT's comments are as follows:

1. The TIA dated June 30, 2005, that was enclosed in the package, needs to be finalized to reflect the NMDOT comments that were listed in our letter to Mr. Terry Brown dated August 22, 2005.
2. The design plans that were enclosed in the package do not meet the NMDOT requirements, and thus are not approved.
3. The offsite mitigation measures that were negotiated with the developer need to be included in the TIA report and in the design plans that will be submitted to the NMDOT.
4. The developer will be required to obtain 2 driveways permits for the driveways along the I-25 Frontage Road. To date, no request for driveway permits has been made.
5. The NMDOT's Drainage Section will be reviewing the drainage associated with the proposed subdivision and will provide their comments in a subsequent letter.

If you have any questions, please feel free to give me a call at 841-2761

Sincerely,

Tony S.
Abbo

Tony Abbo, P.E., P.T.O.E.
District Three Traffic Engineer

cc: Terry Doyle
Julian Vigil.
File

Digitally signed by Tony S. Abbo
DN: cn = Tony S. Abbo, o =
US, ou = NMDOT, ou = Traffic
Reason: I am the author of this
document
Date: 2006.04.20 17:17:32 -
0500

Bill Richardson
Governor

Rhonda G. Fought P.E.
Cabinet Secretary

Commission

Johnny Cops
Chairman
District 2

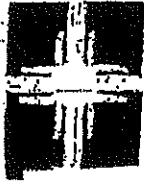
David Schutz
Vice Chairman
District 5

Gregory T. Ortiz
Secretary
District 6

Norman Assad
Commissioner
District 3

Jim Franken
Commissioner
District 4

John L. Hummer
Commissioner
District 1



New Mexico DEPARTMENT OF
TRANSPORTATION
 MOBILITY FOR EVERYONE

Friday, May 12, 2006

Brad Stebleton
 Sandoval County Courthouse
 P.O. Box 40
 Bernalillo, New Mexico 87004

Dear Brad,

We have reviewed the plan set and documentation submitted to us by Sandoval County for Petroglyph Trails Subdivision and found it will not adversely impact any drainage structures along I-25 R/W.

If you have any questions regarding this matter, please call me at 505-827-9847.

Sincerely,

David Trujillo, Jr PE
 NMDOT Staff Drainage Engineer

xc: Tony Abbo
 Thomas Ashe
 Scott Lowe
 file

Bill Richardson
 Governor

Rhonda G. Faught P.E.
 Cabinet Secretary

Commission

Johnny Cope
 Chairman
 District 2

David Schutz
 Vice Chairman
 District 3

Gregory T. Ortiz
 Secretary
 District 6

Norman Assad
 Commissioner
 District 3

Jim Franken
 Commissioner
 District 4

John Hummer
 Commissioner
 District 1



NEW MEXICO DEPARTMENT OF TRANSPORTATION

District Three Office - Albuquerque

March 18, 2007

Mr. Brad Stebleton
Sandoval County
Public Works
711 Camino Del Pueblo
P. O Box 40
Bernalillo, New Mexico 87004

Subject: Petroglyph Trails Subdivision
I-25 east Frontage Road
Placitas, Bernalillo County, District Three

Bill Richardson
Governor

Rhonda G. Faught P.E.
Cabinet Secretary

Dear Mr. Stebleton:

This letter is written to confirm that the NMDOT and the developer of the Petroglyph Trails Subdivision, Delashe Investments, LLC, have come to the following agreement in regards to the offsite improvements in conjunction with the Petroglyph Trails Subdivision:

- 1. At the I-25 and US 550 northbound off ramp (Exit 242), Delashe Investments, LLC, will extend the right turn lane south to the gore area of the northbound off ramp as designed by Resource Technology Inc. The pavement section will be constructed with two lifts of 3" "SP-III" asphalt, 8" of compacted base course over 12 inches of subgrade prep.
2. The access points onto the east I-25 Frontage Road will be constructed in accordance with the requirements listed in the States Access Management Manual.
3. With respect to the entrance into Petroglyph Trails from Placitas Trails, the developer, Delashe Investments, LLC, will make the connection between Placitas Trails and Petroglyph Trails an emergency access only. In doing so, the NMDOT is requiring the developer to extend the existing eastbound left turn lane on NM 165 on approach to the I-25 Frontage Road intersection by 125' plus taper.

A letter authorizing the developer to construct the driveways will not be issued till the plans for the required offsite mitigation measures are submitted and approved by the NMDOT.

If you have any questions, please feel free to give me a call at 841-2761.

Sincerely,

Tony S. Abbo

Digitally signed by Tony S. Abbo
DN: CN = Tony S. Abbo, C = US, O = NMDOT, OU = Traffic
Reason: I am the author of this document
Date: 2007.03.18 17:53:32 -0600

Tony Abbo, P.E., P.T.O.E.
District Three Traffic Engineer

cc: Julian Vigil
Terry Doyle
File

Gregory J. G...
Secretary

John L. Hammer
Commissioner



STATE OF NEW MEXICO
 DEPARTMENT OF CULTURAL AFFAIRS
 HISTORIC PRESERVATION DIVISION

PT A-11

BATAAN MEMORIAL BUILDING
 407 GALISTEO STREET, SUITE 236
 SANTA FE, NEW MEXICO 87501
 PHONE (505) 827-6320 FAX (505) 827-6338

BILL RICHARDSON
 Governor

August 4, 2006

Brad Stebleton
 Senior Planner
 Sandoval County Administrative Offices
 Sandoval County Courthouse
 P.O. Box 40
 Bernalillo, NM 87004

Post-It* Fax Note	7671	Date	# of pages
To	GWYNETH OLINCHAN	From	TOM ASHE
Co./Dept.		Co.	
Phone #	827 5235	Phone #	867 3011
Fax #	827 6862	Fax #	

RE: Petroglyph Trails Subdivision:

Dear Mr. Stebleton:

I am writing in response to your request for review and comment on the above referenced subdivision. I apologize for the delay in my response.

A cultural resource survey report prepared by Lone Mountain Archaeological Services was enclosed in the subdivision proposal. According to the report, two archaeological sites and 23 isolated occurrences were found and recorded during the survey. The two archaeological sites, LA 147795 and LA 147796, are described as historic trash dumps. The archaeological consultant recommends that the archaeological sites and the isolated occurrences are ineligible for listing to the National Register of Historic Places. HPD agrees that the isolated occurrences and sites LA 147795 and LA 147796 are not eligible for listing to the Register. No further archaeological work is necessary to document these cultural resources.

If you have any questions, please do not hesitate to contact me. I can be reached at 827-4064 or at michelle.ensey@state.nm.us.

Sincerely,

Michelle M. Ensey
 Archaeologist

Log: 77684

EXHIBIT P

SUNDANCE

PLACTAS

GRAVEL PIT

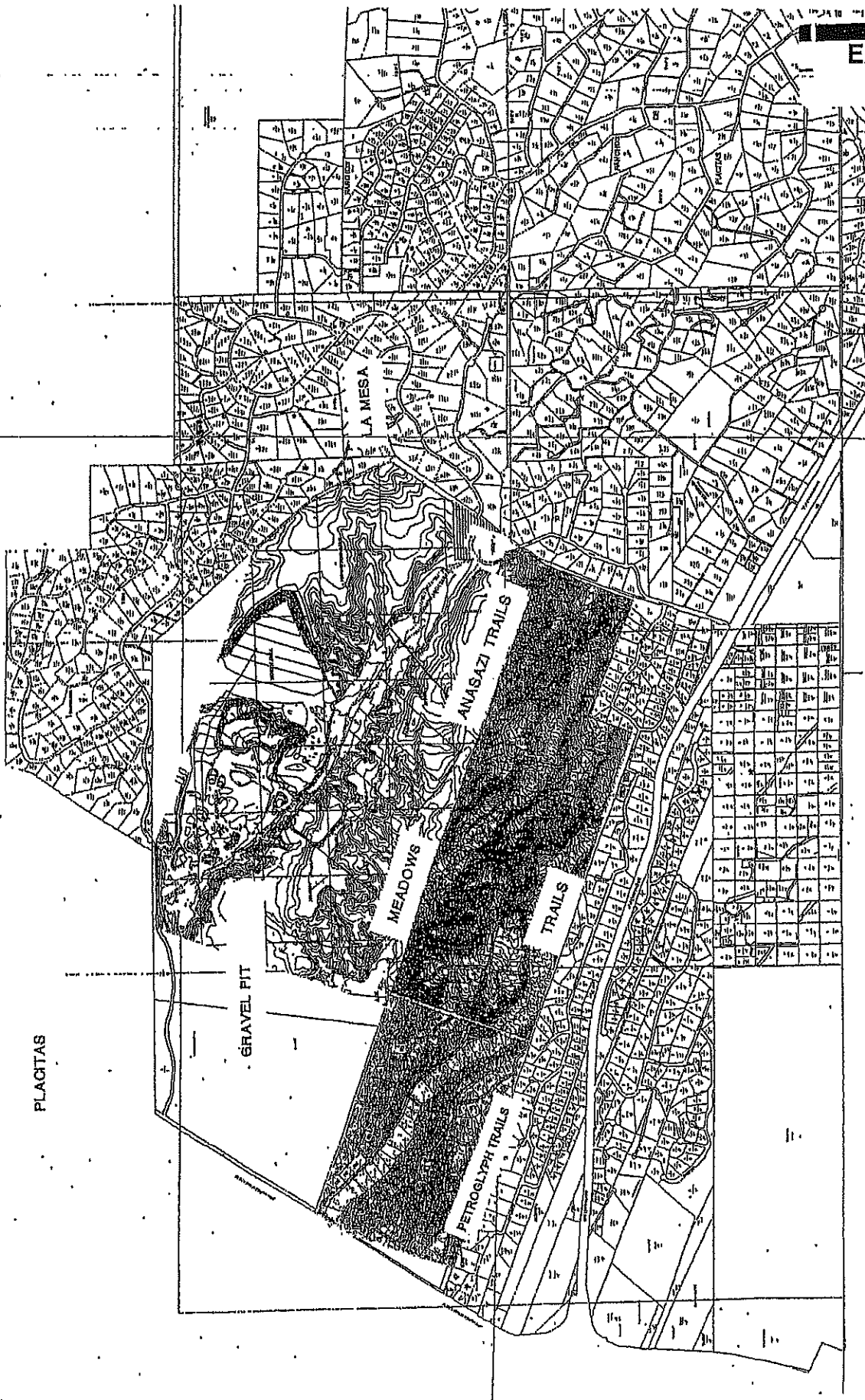
MEADOWS

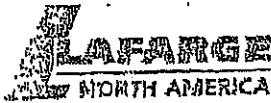
PETROGLYPH TRAILS

TRAILS

ANASAZI TRAILS

LA MESA





Construction Materials

June 8, 2005

Mr. Thomas J. Ashe
Deloshe Investments, LLC
46 Sandia Lane
Placitas, NM 87043

Re: Placitas Sand and Gravel

Dear Mr. Ashe:

Thank you for your time to discuss concerns surrounding Lafarge activities at our Placitas location. In response to your letter dated May 3, and following up on our meeting of May 10, I wish to reiterate the discussion points and anticipated future actions.

I understand your expressed concerns on the visual impact of our mining to your property values. Similar aggregate facilities operate throughout the country, and in the majority of cases, do not impair adjoining property values. Sand and Gravel mining activities are an interim land use, and often result in increased property value and function for the mined property, and surrounding neighborhood.

Mining operations were permitted in 1973 at Placitas and continues to occur well within the permitted boundaries and mine limits. Our current agreement stipulates extraction activities to 2015, which will utilize the majority of the property. Lafarge's plans for the property have always required accessing materials south of Agua Sarca Arroyo to provide construction materials to the local community to support community development, infrastructure, and rehabilitation.

Since the mines inception, Lafarge has worked cooperatively with all residents as the growth of Placitas has evolved around the mine site. To insure we respond to the concerns of the surrounding community, Lafarge is assessing the current mine limits, mine plan, and potential contractual impact. It is a responsibility and a smart business model to listen, partner, educate, and develop 'win-win' solutions with the people impacted by our business.

I look forward to our future discussion and continuing the trusting relationship Lafarge has with the community.

Sincerely,

A handwritten signature in black ink that reads "K. Black".

Kevin P. Black
GM NM Aggregate/Asphalt
Lafarge Southwest, Inc.

CC: Todd Ohlweiler, VP/GM
Lafarge West

CR Herro, Director of Resource Management
Lafarge West

Mt. Adams Holding Company

Western U.S. Region
1500 N. Renaissance Blvd. NE Suite B, Albuquerque, NM 87107
Office: (505) 343-7000 Fax: (505) 343-7686
Web: www.lafargenorthamerica.com

2010000200 01/04/2010 03:23:20 PM #: 413 P: 200

AGREEMENT

Pg. 3 of 6

Sally G. Vasilis, Sandoval County Clerk



AGREEMENT REGARDING ARSENIC REMEDIATION

This Agreement is by and between the Anasazi Trails Water Cooperative (the "Cooperative"), Delashe Investments, LLC (the "Developer"), the Thomas J. Ashe and Joanne S. Ashe Trust (the "Ashe Trust"), the Gudelj Family Trust (the "Gudelj Trust"), the Gudelj Family Limited Partnership (the "Gudelj Partnership"), Dustin E. Gudelj, individually, and Misty D. Gudelj, individually.

WHEREAS, Developer has previously deeded and otherwise conveyed to the Cooperative certain water rights as well as the real property and certain personal property associated with the well, storage tank and water distribution system used by the Cooperative; and

WHEREAS, Developer has announced its intent to extend the service capacity of the Cooperative's water system to a proposed subdivision in projected Section 34, Township 13 North, Range 4 East, NMPM, Felipe Gutierrez Grant, Sandoval County, New Mexico, to be called "Petroglyph Trails", as is its right under the Cooperative's By-Laws, at such time as a final plat of said proposed subdivision, or phases thereof if the subdivision is developed in phases, is/are approved by the applicable governmental entity with jurisdiction thereover; and

WHEREAS, Developer has always anticipated the possible creation of some additional lots within the Anasazi Trails and Anasazi Meadows subdivisions, both of which are likewise in projected Section 34, Township 13 North, Range 4 East, NMPM, Felipe Gutierrez Grant, Sandoval County, New Mexico; and

WHEREAS, in anticipation of the lots within the proposed Petroglyph Trails subdivision and the additional lots which may be created within the Anasazi Trails and Anasazi Meadows subdivisions, eventually being provided water by the Cooperative, the Developer has already paid the Cooperative \$97,500 towards the cost of the arsenic remediation system which the Cooperative has already installed; and

WHEREAS, Developer, the Ashe Trust, the Gudelj Trust, the Gudelj Partnership and the two individual Gudelj family members who are parties hereto have likewise paid approximately \$728 per lot for each of the lots they currently own in the Anasazi Trails and Anasazi Meadows subdivisions, a list of which lots is attached hereto as Exhibit A, towards the cost of the arsenic remediation system; and

WHEREAS, the parties desire to set forth their agreement as to the additional payments each party hereto, other than the Cooperative, will make towards the cost of the arsenic remediation system and any other obligations of Developer related to the Cooperative's water system.

NOW THEREFORE in consideration of the mutual covenants set forth herein, and other good and valuable consideration the receipt of which is hereby acknowledged, the parties agree as follows:

1. The above "Whereas" clauses are incorporated herein for all purposes.
2. Developer agrees that upon approval of the final plat for the anticipated Petroglyph Trails subdivision (or upon approval of the final plat for each phase of said subdivision, to the extent the subdivision is developed in phases), and in connection with the construction of infrastructure improvements for said subdivision, or for each phase, Developer will install, at developer's sole expense, the distribution lines and other distribution improvements needed to extent water service from the Cooperative's wells to each lot within said subdivision, or in each phase.
3. The parties agree that Developer has already transferred the necessary water rights, to accommodate water service by the Cooperative to the proposed Petroglyph Trails subdivision, into

6-12-09

the well owned by the Cooperative, although currently ownership of said water rights remains in the name of Developer. At such time as Developer constructs the infrastructure improvements for said subdivision, or for each phase thereof, or for any additional lots which may be created and added to the Anasazi Trails and Anasazi Meadows subdivisions in excess of the 234 lots already provided for, Developer shall transfer ownership of .3826 acre feet of water rights per lot, or dwelling unit, to the Cooperative to serve the lots then being developed.

4. The \$97,500 Developer has already paid the Cooperative towards the cost of the arsenic remediation system is acknowledged as being for the benefit of each lot within the proposed Petroglyph Trails subdivision and for the benefit of any additional lots which may be created by Developer in the Anasazi Trails and Anasazi Meadows subdivisions. Irrespective of the number of lots and/or dwelling units which may ultimately be a part of the Petroglyph Trails subdivision, or which may be added to the Anasazi Trails and Anasazi Meadows subdivisions, it is understood and agreed that at the time Developer closes the sale of each such lot, or dwelling unit, to a third party purchaser, or at the time each such lot or dwelling unit connects to the Cooperative's distribution system, whichever occurs first, a one-time fee of \$372 shall be due to the Cooperative as payment in full of the remaining required contribution by such lot or dwelling unit towards the cost of the arsenic remediation system.
5. Likewise, as each of the lots described in Exhibit A hereto is sold and closed, or at the time each such lot connects to the Cooperative's distribution system, whichever occurs first, a one-time fee of \$372 shall be due to the Cooperative as payment in full of the remaining required contribution by such lot towards the cost of the arsenic remediation system, it being understood and agreed that \$728 per lot has already been paid on behalf of said lots towards the cost of the arsenic remediation system, which means that upon payment of the additional \$372 per lot the owners of said lots will have paid the same amount as has been paid by the owners of all other lots within Anasazi Trails and Anasazi Meadows, as their share of the cost of the arsenic remediation system.
6. The Cooperative acknowledges and agrees that it is familiar with the *Summary Report on Pressure Analyses of Anasazi Trails Water Cooperative System*, dated April 2008, prepared by Resource Technology, Inc., which concluded that the Cooperative's current well and storage capacity is adequate to meet the anticipated demand of the Anasazi Trails, Anasazi Meadows and the proposed Petroglyph Trails subdivisions. Notwithstanding the foregoing, the Cooperative believes it may be prudent at some point in the future, particularly once the Petroglyph Trails subdivision has been completed, to add redundancy to the system by adding a third well which would be available to supply water in the case of loss or failure of one of the current wells. It is understood and agreed that the costs associated with any additional well(s) drilled for use by the Anasazi Trails, Anasazi Meadows and the proposed Petroglyph Trails subdivisions, whether drilled for redundancy or for any other reason, will be borne solely by the Cooperative, not by Developer.

7. This agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns and shall run with the land.

Anasazi Trails Water Cooperative

By: Wayne Redman
President

By: Wayne Redman
Vice President

By: Wayne Redman
Secretary

Delasie Investments, LLC

By: Thomas Wolfe Its. Member

8-12-08

The Thomas J. Ashe and Joanne S. Ashe Trust

By: [Signature]
Thomas J. Ashe, Trustee

By: [Signature]
Joanne S. Ashe, Trustee

Gudell Family Limited Partnership

By: [Signature]
STEVEN GUDELL, Trustee

The Gudell Family Trust dated 1/30-87

By: [Signature]
Steven M. Gudell, Trustee

By: [Signature]
Wendy Ann Gudell, Trustee

[Signature]
Dustin E. Gudell

[Signature]
Misty D. Gudell

SUBSCRIBED AND SWORN TO before me this 10 day of December, 2009, by Alan J. [Signature] President of the Anasazi Trails Water Cooperative, a New Mexico cooperative association, on behalf of said association.

[Signature]
Lara Marie Ramirez
Notary public

My Commission expires: January 22, 2012

SUBSCRIBED AND SWORN TO before me this 10 day of December, 2009, by Walter [Signature] Vice President of the Anasazi Trails Water Cooperative, a New Mexico cooperative association, on behalf of said association.

[Signature]
Lara Marie Ramirez
Notary public

My Commission expires: January 22, 2012

SUBSCRIBED AND SWORN TO before me this 10 day of December, 2009, by Steven M. Gudell Secretary of the Anasazi Trails Water Cooperative, a New Mexico cooperative association, on behalf of said association.

[Signature]
Lara Marie Ramirez
Notary public

My Commission expires: January 22, 2012

SUBSCRIBED AND SWORN TO before me this 10 day of December, 2009, by Thomas J. [Signature] of Delashe Investments, LLC, a New Mexico limited liability company, on behalf of said company.

[Signature]
Lara Marie Ramirez
Notary public

My Commission expires: January 22, 2012

6-12-09

SUBSCRIBED AND SWORN TO before me this 4th day of December, 2009, by Thomas J. Ashe and Joanne S. Ashe, Co-Trustees of the Thomas J. Ashe and Joanne S. Ashe Trust, on behalf of said trust.

Lara Marie Ranniger
Notary public

My Commission expires: January 22, 2012

SUBSCRIBED AND SWORN TO before me this 1st day of December, 2009, by Steven M. Gudell of the Gudell Family Limited Partnership, on behalf of said partnership.

Lara Marie Ranniger
Notary public

My Commission expires: January 22, 2012

SUBSCRIBED AND SWORN TO before me this 1st day of December, 2009, by Steven M. Gudell and Wendy Ann Gudell, Co-Trustees of the Gudell Family Trust dated 1-30-97, on behalf of said trust.

Lara Marie Ranniger
Notary public

My Commission expires: January 22, 2012

SUBSCRIBED AND SWORN TO before me this 10th day of December, 2009, by Dustin E. Gudell

Lara Marie Ranniger
Notary public

My Commission expires: January 22, 2012

SUBSCRIBED AND SWORN TO before me this 10th day of December, 2009, by Misty D. Gudell

Lara Marie Ranniger
Notary public

My Commission expires: January 22, 2012

Exhibit A

Thomas J. Ashe and Joanne S. Ashe, Trustees, for the Thomas J. Ashe and Joanne S. Ashe Trust.

Anasazi Meadows Lot No. 14
Anasazi Meadows Lot No. 19
Anasazi Meadows Lot No. 21
Anasazi Meadows Lot No. 28
Anasazi Meadows Lot No. 33
Anasazi Meadows Lot No. 39
Anasazi Meadows Lot No. 45
Anasazi Meadows Lot No. 56
Anasazi Meadows Lot No. 60
Anasazi Meadows Lot No. 61
Anasazi Meadows Lot No. 78
Anasazi Meadows Lot No. 89
Anasazi Meadows Lot No. 96
Anasazi Meadows Lot No. 100
Anasazi Meadows Lot No. 103
Anasazi Meadows Lot No. 105
Anasazi Meadows Lot No. 118
Anasazi Meadows Lot No. 119

Anasazi Trails Lot No. 26
Anasazi Trails Lot No. 64
Anasazi Trails Lot No. 89
Anasazi Trails Lot No. 90
Anasazi Trails Lot No. 91
Anasazi Trails Lot No. 92

Steven M. Gudelj and Wendy Ann Gudelj, Trustees of the Gudelj Family Trust dated 1-30-97.

Anasazi Meadows Lot No. 5
Anasazi Meadows Lot No. 38
Anasazi Meadows Lot No. 58
Anasazi Meadows Lot No. 59
Anasazi Meadows Lot No. 90

Anasazi Trails Lot No. 75

Gudelj Family Limited Partnership
Anasazi Meadows Lot No. 29

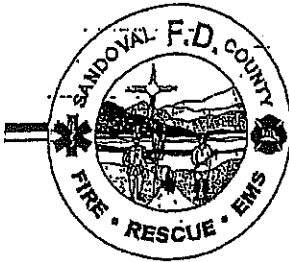
Dualln E. Gudolf
Anasazi Meadows Lot No. 85

Misty D. Gudolf
Anasazi Meadows Lot No. 129

Delasho Investments, LLC

Anasazi Meadows Lot No. 35
Anasazi Meadows Lot No. 36
Anasazi Meadows Lot No. 76
Anasazi Meadows Lot No. 109
Anasazi Meadows Lot No. 110
Anasazi Meadows Lot No. 131
Anasazi Meadows Lot No. 33
Anasazi Meadows Lot No. 34

Anasazi Trails Lot No. 7



SANDOVAL COUNTY
FIRE DEPARTMENT

August 1, 2006

SANDOVAL COUNTY
RECEIVED

AUG 01 2006

P&Z DEPT.

Brad Stebleton
Senior Planner
Sandoval County Planning and Zoning
P.O. Box 40
Bernalillo NM, 87004

Dear Mr. Stebleton,

I have reviewed the plans for the proposed Petroglyph Trails Subdivision and offer the following comments:

The proposed water supply meets the Sandoval County subdivision regulations. The fire hydrants shall be spaced no more than ~~500~~ ^{1000'} feet apart.

All fire protection features such as fire hydrants will be tested and approved by the Sandoval County Fire Department prior to the start of any construction. *SEE NEXT PG. LETTER NOV 20 2006*

Each of the roads within the subdivision shall have a 20 foot unobstructed width and a vertical clearance of not less than 13 feet 6 inches in accordance with the International Fire Code Section, 503.2.1.


Each premise shall be provided with numbers that are a minimum of 4 inches high with a stroke width of 0.5 inch in accordance with the International Fire Code Section 505.1

All streets and roads shall be identified with approved signs prior to the commencement of construction in accordance with International Fire Code Section 505.2

It is suggested that each of the lot owners be provided with information about Automatic Fire Sprinkler Systems. Informational packets can be obtained through the Sandoval County Fire Department.

If you have any questions please contact me at 867-0245.

Sincerely,


James Maxon
Fire Marshal
Sandoval County



SANDOVAL COUNTY

FIRE DEPARTMENT

November 20, 2006

Brad Siebleton
Senior Planner
Sandoval County Planning and Zoning
P.O. Box 40
Bernalillo NM, 87004

Dear Mr. Siebleton,

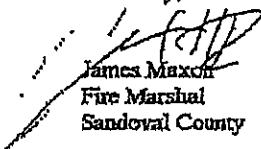
I am amending my letter dated August 1, 2006 as follows:

The proposed water supply meets the Sandoval County subdivision regulations. The fire hydrants shall be spaced no more than 1000 feet apart, and a hydrant located within 600 feet of each structure.

The other requirements in my original letter still stand.

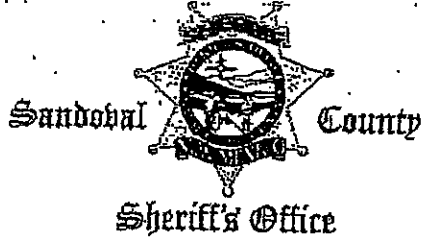
If you have any questions please contact me at 867-0245.

Sincerely,


James Maxon
Fire Marshal
Sandoval County

JOHN PAUL TRUJILLO
SHERIFF

TIM LUCERO
UNDERSHERIFF



P.O. BOX 5219
BERNALILLO, NEW MEXICO 87004
(505) 867-7526
FAX (505) 867-7608

May 10, 2006

INTEROFFICE MEMORANDUM

To: Brad Stebleton, Planning & Zoning

From: Tim Lucero, Undersheriff *TL*

Reference: Petroglyph Trails, a proposed Type Two Subdivision, Sandoval County, New Mexico.

This letter is to inform you that we have reviewed the documents and completed a physical inspection of Petroglyph Trails, a proposed Type Two Subdivision.

Based on the number of proposed lots, we believe that the Petroglyph Trails Subdivision will impact the existing traffic congestion on East I-25 Frontage Road, Highway 550 and Interstate 25.

Other than the traffic congestion issue, we do not see anything else within the proposed documents or the proposed site that would adversely impact the County's ability to adequately provide law enforcement services.

Please contact me with any questions.

Cc: John Paul Trujillo, Sheriff



BERNALILLO PUBLIC SCHOOLS

224 N. Camino del Pueblo
Bernalillo, NM 87004

Barbara Vigil-Lowder
Superintendent

Phone: (505) 867-2317
www.bernalillo-schools.org

Board of Education
Nancy Walker
Errol Chavez
Jack Torres
Lorenzo Tafaya
Ray H. Trujillo

John M. Ryan
Executive Director Of
Accountability And
Human Resources

Anna Torres
Executive Director Of
Elementary Education

Sharon Fox
Executive Director Of
Secondary Education

Gilbert Mondragón
Director of Finance

March 27, 2007

SANDOVAL COUNTY
RECEIVED

MAR 29 2007

P&Z DEPT.

Mr. Brad Stebleton
Sandoval County Planning & Zoning Department
P.O. Box 40
Bernalillo, NM 87004

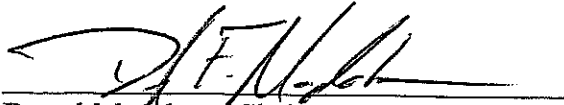
Dear Mr. Stebleton:

The District has reviewed the documents regarding the Terra Phase II, Diamond Trail Phase II and Petroglyph Trails located in the Placitas area in Sandoval County. At this time, the District does not foresee any possible problems or adverse circumstances for Placitas Elementary School within Bernalillo Public Schools. However, the District would like to reserve the right to review as the project progresses.

Sincerely,

Barbara Vigil-Lowder
Superintendent

APPROVED:

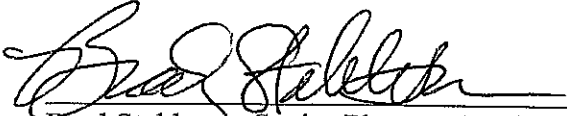


Darryl Madalena, Chairman, Sandoval County
Board of County Commissioners

12/15/11

Date

APPROVED:



Brad Stebleton, Senior Planner, Sandoval County

12-16-11

Date

ATTEST:



Sally G. Padilla, Sandoval County Clerk

12-16-11

Date

