

THE RESERVE AT SANTA FE

Rules and Regulations¹

¹ These *Rules and Regulations* have been developed as an attempt to put the Bylaws and Declaration into easily understood language; however, if there is ever a conflict in wording or meaning, please understand that the Bylaws and Declaration prevail over these *Rules and Regulations*

TABLE OF CONTENTS

DEFINED TERMS	3
BALCONIES AND PATIOS	5
CLEANLINESS.....	5
COMBUSTIBLE MATERIALS	5
COMMUNITY AREA/COMMON ELEMENT GENERAL GUIDELINES	5
CONDOMINIUM UNIT ASSESSMENT PAYMENTS	6
DRAINS.....	6
ELECTRICAL OVERLOADING.....	6
FIRE EMERGENCY	7
FITNESS CENTER	7
GRILLS.....	7
INSURANCE COVERAGE.....	8
LAUNDRY	8
LEAKS.....	9
LEASING OF UNITS BY OWNERS	9
MAIL AND PACKAGE ACCEPTANCE AND DELIVERY	9
NOISE LEVELS.....	10
OFFICE HOURS	10
OWNERS' AND OCCUPANTS' RESPONSIBILITY FOR GUESTS.....	10
PARKING.....	11
PETS	11
PRECAUTIONARY MEASURES, FIRE HAZARD.....	11
PRECAUTIONARY MEASURES, ICE AND SNOW CONDITIONS	11
PROPERTY ACCESS AND GATE CARDS	12
SATELLITE DISHES	12
SEVERE COLD WEATHER.....	12
SIGNS & POSTERS.....	13
SPEED LIMIT	13
SWIMMING POOL AND HOT TUB.....	13
TRASH	14
UNIT IMPROVEMENTS AND REPAIRS	14
VEHICLES	15
WATERBEDS	15
WINDOW TREATMENTS.....	15
DISPUTE RESOLUTION.....	15
ACKNOWLEDGEMENT OF RECEIPT.....	16

DEFINED TERMS

The Reserve at Santa Fe: (RSF) is a condominium community that is owned by the individual unit homeowners and managed by *The Reserve at Santa Fe Condominium Association*

Association: *The Reserve at Santa Fe Condominium Association*, a New Mexico non-profit corporation

Bylaws: The Bylaws adopted by the Association, as amended.

Common Element: The areas other than Units as described in the Declaration

Community Area: The buildings which house the fitness center, the offices, maintenance shop, laundry center, pool, hot tub, pool equipment room and adjacent areas.

Condominium: The Reserve at Santa Fe

Declaration: The Amended and Restated Declaration for The Reserve at Santa Fe, A Condominium filed for record on January 23, 2004 as Instrument No. 131965 of the records of Santa Fe County, New Mexico.

Directors: The Board of Directors of the Association

Documents: The Declaration, Plat and Plans recorded and filed pursuant to the provisions of the Condominium Act, the Bylaws, and the Regulations as they may be amended from time to time. Any exhibit, schedule, or certification accompanying a Document is a part of that Document.

Limited Common Element: A portion of the Common Elements allocated by the Declaration for the exclusive use of one or more but fewer than all the Units.

Managing Agent or General Manager: The person designated by the Board pursuant to section 3.3 of the Bylaws.

Occupant: A person or persons, other than the Owner, in possession of a Unit and shall include tenants, guests and other persons in possession of a Unit

Owner: The owner of a Unit as defined in the Declaration. In the event a Unit is held in trust or owned by a legal entity, the term shall also include the trustee, an officer or director, manager or member or the owner of a beneficial interest in the entity

Property: The real estate comprising the Condominium described on Exhibit A of the Declaration.

Regulations: These Rules and Regulations, adopted by the Directors of the Association pursuant to §47-7C-2, N.M.S.A. 1978

Tenant: one who rents or leases from an Owner

BALCONIES AND PATIOS

Please help maintain the appearance of all the buildings in the community by keeping your balcony or patio clean and tidy, as others can see its condition from above or below. Do not drape anything over the railings. Balconies and patios shall not be used for the storage of any item except outdoor furniture. Pets are not to be left unattended in balcony or patio areas; and balcony and patio areas are not appropriate places for pets to urinate or defecate. Outdoor cooking and the use of grills is prohibited on balconies and patios. Chimeneas, if placed on balconies, may be decorative only. No wires, aerials, antennas for radios or television, ropes, etc., shall be installed on the exterior of a balcony railing or patio fence, roof deck or other parts of the building. Satellite dishes are allowed only with the written approval of the Managing Agent. Please refer to Article 3.4 of the Declaration. Propane grills and charcoal grills may not be stored or used anywhere on The Reserve property.

CLEANLINESS

Residents shall keep and maintain the Property in a clean and sanitary condition at all times. No noxious substances are to be used or stored on the Property.

COMBUSTIBLE MATERIALS

At no time may any combustible materials be stored in or on the Property, including in vehicles.

COMMUNITY AREA/Common Element General Guidelines

Use of community areas and common elements including trash receptacles, the pool, hot tub, fitness center, laundry and parking lot is an occupancy right, not an ownership right. If you do not occupy your unit, you do not have access to the community areas and common elements.

Outdoor and personal patio and balcony areas are noise sensitive areas; radios and other electronic devices used for production or reproduction of sound are to be kept at moderate levels in all outdoor areas. Cordless telephone or wireless telephone conversations in Common Elements should be kept to a minimum volume and length. General “horseplay”, screaming, shrieking, running and shoving are inappropriate behaviors in Common Elements. Please refer to the section entitled “Noise Levels” elsewhere in these Regulations for further guidelines and restrictions.

The Managing Agent’s offices and areas adjacent to them are considered “business areas.” Please refrain from smoking, drinking, eating and wearing inappropriate attire such as swimwear in these areas.

Building entryways, hallways, stairwells and walkways are not play areas or storage areas. Do not use these areas as bicycle paths or for skateboarding. Placement of decorations in breezeways is encouraged in moderation, and shall be reviewed by the Board of Directors or their appointee and will be approved or disapproved in their sole discretion.

Bicycles must be stored in storage closets or in the community bike racks.

The pool, hot tub and fitness center are used at the risk of the Owners and Occupants. You must have a valid facility pass with you and have a liability waiver on file before using the facilities. Glass of any type, alcoholic beverages, pets and smoking, are strictly prohibited in the pool and hot tub areas and the fitness center. Please refer to the sections entitled "Fitness Center" and "Swimming Pool and Hot Tub" elsewhere in these Rules and Regulations for further guidelines and restrictions.

Duplication of keys to the Common Elements is not permitted.

CONDOMINIUM UNIT ASSESSMENT PAYMENTS

Condominium assessments are the responsibility of the Owner and are payable on the first day of each month. Bills will not be sent, so kindly schedule your Condominium assessments payment along with your other routine "monthlies". Assessments received after the 10th of the month are subject to a late fee in the amount of 10% of the overdue assessment for each month the assessment is unpaid. If more convenient for Owners, assessments may be paid in advance in quarterly, semi-annual, or annual installments; please notify the Managing Agent's office if this better serves your needs. Many Owners initiate automatic bill payments through their financial institutions. The Association does not have an account that accepts Electronic Funds Transfers.

Delinquent assessments are subject to legal action including filing of a lien and ultimately foreclosure.

DRAINS

Owners and Occupants are requested not to dispose of sanitary napkins, disposable diapers, paper towels, dental floss, cat litter, cat feces, or items of a similar nature in the toilet bowls. These items will clog the drainage system and create a great deal of inconvenience, not only for you, but for other Owners and Occupants. The cost of repairing clogs due to Owners and Occupants neglect will be charged to the Owner.

Do not use commercial drain openers. There are less caustic "biological" products available on the market, which may be helpful when used according to the manufacturer's directions.

In the event of a backup, contact your plumber and please notify the Managing Agent's office on the next business day.

ELECTRICAL OVERLOADING

No electrical overloading of standard circuits is allowed. All fixtures and equipment will be used for the purposes for which they were designed. Any damage resulting from misuse or abuse of appliances or fixtures within a Unit or the Limited Common Elements shall be the financial responsibility of the Owner of that Unit.

FIRE EMERGENCY

- Without any delay, close the door of the room where the fire is located, then leave your Unit, closing the door behind you and leaving it unlocked if possible. **DO NOT GO BACK INTO YOUR UNIT.**
- Pull the nearest fire alarm “pull station”. This alerts your neighbors to the problem, but does NOT notify the fire department. Pull stations are located at each end of each breezeway on the ground level. Please familiarize yourself with the location of the pull stations in your breezeway.
- Dial 911 **IMMEDIATELY**. Ask for the fire dispatcher and provide any information requested.

Contact the Managing Agent’s emergency maintenance phone (505.670.4303) and provide as much information as possible about the fire.

FITNESS CENTER

Owners and Occupants must sign a waiver before using the fitness center, and use the fitness center at their own risk.

No person under the age of 12 may be in the fitness center or use the fitness center equipment under any circumstance.

Persons under the age of 21 must be accompanied by an adult Owner or Occupant at all times.

Instructions for operation of various pieces of exercise equipment are posted in the fitness center.

The fitness center is generally open from 5:00 a.m. until 11:00 p.m. daily. In the fitness center, please keep noise levels to a minimum after 9:00 p.m.

The fitness center is intended to be exclusively for the use of The Reserve at Santa Fe Owners and Occupants, and it cannot be enjoyed if it is overcrowded. You may have only one guest with you in the fitness center.

If others are waiting to use a piece of equipment, please limit your usage to 20 minutes.

Pets, glass and alcohol are strictly prohibited in the fitness center.

Additional rules and regulations governing use of the fitness center are clearly posted in the fitness center. Please be considerate of others, and yourself, through your adherence to those additional rules and regulations.

GRILLS

Outdoor cooking and the use of grills or chimeneas on balconies or patios is strictly prohibited. Well-maintained gas grills are available throughout the Property for your use. Any damages caused by use/misuse of an unapproved grill will be billed to the Owner or Occupant using such grill.

INSURANCE COVERAGE

The Association is not responsible for fire, theft or water damage to your personal property situated anywhere on the premises. The Association is not responsible for theft, damage or loss to vehicles. Building insurance as carried by the Association covers the buildings only. Your personal property is not covered by the Association's coverage. The Association strongly advises you to carry adequate insurance as your situation demands. You are advised to consult with the insurance company of your choice regarding your coverage needs. For clarification, refer to Page 5, paragraph 11 of the Disclosure Statement for The Reserve at Santa Fe; and Article 6 of the Association's Bylaws.

- **ASSOCIATION RESPONSIBILITY**
 - Please refer to Article 6 of the Bylaws for clarification.
- **OWNER RESPONSIBILITY**
 - Each Owner should obtain, at his or her own expense, coverage for his or her own Unit, his or her personal property, his or her personal liability as well as coverage for any improvement made to his or her Unit through the insurance professional of his or her choice. Owner's insurance must comply with Article 6.5 of the Bylaws.
- **OCCUPANT RESPONSIBILITY**
 - Tenants of owners are advised to seek renter's insurance at minimum, through the insurance professional of his or her choice.

Coverage maintained by the Association is summarized elsewhere in this handbook. If you need further information concerning insurance coverage, please contact the Managing Agent's office. You will be put in contact with the Association's insurance agent.

LAUNDRY

The laundry is a leased concession that is not operated by the Association. However, the Association does benefit through income from the laundry to offset the Association's daily operating expense. The laundry room is open 24 hours a day. Please place your laundry evenly in washers so that the machines will not become unbalanced. Remove your laundry promptly from washers and dryers. If you forget, the next person may remove it. To avoid machine damage and repair costs, please: absolutely no dyeing of clothes in washing machines. Always clean the lint filter of any dryer after use. The Association is not responsible for damaged and/or stolen items.

Please help us ensure security for the laundry by locking the door behind you upon leaving; your common area key allows you access. Duplication of keys to the common areas is not permitted.

Pets are strictly prohibited in the laundry.

LEAKS

Leaks of ANY nature must be reported to the Association's Managing Agent's office immediately. Repair of leaks and remediation of damage caused by leaks that are a result of misuse of plumbing by an Occupant, or which result from faulty appliances or other Unit-specific fixtures are the financial responsibility of the Owner.

LEASING OF UNITS BY OWNERS

Any rental of a Unit by an Owner must follow these Regulations. Any rental must be for a minimum of 30 days and pursuant to a written lease. Such lease shall require the lessee to comply with the terms and provisions of the Governing Documents, and further, provide that the failure of the lessee to comply with the terms and provisions of the Governing Documents constitutes a default under the terms of the lease. The Association will not act as a property manager for Owners. Any leasing of a Unit by an Owner must be done by the Owner directly or through the Owner's contract with a local, New Mexico licensed property management company. Any sub-lease, if allowed, must be reported to the Association office by the Unit Owner.

The Board has adopted an assessment of \$100.00 for the registration of any lease, ~~with the exception of the first registration in any calendar year, as allowed by section 2.5 of the Declaration.~~ This fee is charged to the Owner of the Unit.

Any Owner wishing to lease must obtain and complete a lease documentation package which will require certain documentation from the Owner and the Tenant including copies of the signed lease, accepted and acknowledged copies of these Regulations and an acknowledgement by the Owner of his or her responsibility for all financial obligations to the Association, including water reimbursements monthly.

No Owner may transfer his or her rights and obligations to the Association by lease or other instrument to an Occupant.

Please refer to section 3.3 of the Declaration for further clarification of the Owner's duties when leasing the Owner's Unit.

MAIL AND PACKAGE ACCEPTANCE AND DELIVERY

As a convenience, The Managing Agent's office may accept small packages on your behalf from the postal service and other delivery services. You will be provided a notice if we have accepted a package and you may retrieve your package during regular business hours. Because of limited storage space, we may refuse a package at our discretion.

If you have special delivery needs, you will need to make arrangements to meet the delivery company personally. Package pick up hours may be extended or restricted as deemed necessary by the Managing Agent.

The Association, its Directors, Managing Agent and Staff are not responsible for any loss or damage to packages accepted on your behalf. Please refer to Section 5.9 of the Association Bylaws.

NOISE LEVELS

In compliance with the City of Santa Fe Noise Ordinance it is the intent of this Regulation to ensure all residents an environment free from such excessive sound as may jeopardize their health, welfare and safety, or degrade the quality of life at The Reserve. Therefore, between the hours of 9:00pm and 7:00am, outside noise levels are to be kept to a minimum. No motor vehicles are to be operated on the premises at any time unless the exhaust system of such vehicle is free from defects; equipped with a muffler; not equipped with any cut-out, by-pass or similar devise; and not modified in a manner which will increase or amplify the noise emitted by the motor of such vehicle. Excessive noise of whatever kind can be particularly disturbing and annoying to other Owners and Occupants. Please be considerate by keeping the volume of radios, stereo equipment, television sets or any electronic device used for reproduction of sound regulated so that they cannot be heard by other Owners and Occupants, **especially when windows or doors are open**. Please consider the use of headphones if your listening habits require higher volumes. This consideration also applies to radio/stereo volume in vehicles driving through, or parked on, the Property. Cordless telephone or wireless telephone use in Common Elements should be kept to a minimum duration and volume. Please refer to the section entitled “Community Area/Common Element General Guidelines” elsewhere in these Regulations for further guidelines and restrictions.

OFFICE HOURS

The Association’s Managing Agent’s regular office hours are generally as follows unless otherwise posted:

Monday through Friday	9:00 AM – 6:00 PM
Saturday & Sunday:	Emergency on call

Personnel are on call and available for extreme or critical emergencies on Saturdays, Sundays and holidays. Please be considerate by conducting routine business matters during regular working hours. The emergency contact “on call” telephone number will be distributed from time to time and will be posted at the office and central mailbox complex.

OWNERS’ AND OCCUPANTS’ RESPONSIBILITY FOR GUESTS

Owners and Occupants are responsible for their own actions and those of their guests anywhere on the Property and should not allow any loud or improper conduct in their Units or in the public areas, which would disturb others. All guests using any facility, unless accompanied by the Owner or Occupant, must have a note of authorization from the Owner or Occupant and a proper pool/fitness center pass and key registered to the Owner or Occupant. The Association reserves the right to restrict guests.

PARKING

Parking spaces are on a first come, first served basis. Each Owner is to be supplied with one parking pass for each vehicle properly registered with the Association. Additional or replacement passes may be obtained through the office. A fee may apply. Passes are to be prominently displayed in the front windshield area of the registered vehicle when on the Property. **Passes are not transferrable.** Guests staying for more than 5 days should register their vehicle(s) with the Association office. Vehicles will be checked randomly for passes. Tenants will be required to provide a copy of their lease to the Association office before permits will be issued to them.

No junk, derelict or other vehicle on which current registration plates are not displayed may be kept upon the property. No trailer, camper, recreational vehicle or boat may be parked on the Property without the prior written approval of the Directors.

PETS

Pets may be kept in individual Units in accordance with the adopted Regulations of the Association. Pets are limited to no more than two household pets of no more than twenty-five pounds each at maturity. Dogs must be leashed or carried when outside a Unit. Owners and Occupants are expected to clean up and properly dispose of their pet's waste immediately, anywhere on the Property. In general, the overriding principal for pets is that, as with Owners and Occupants, they need to be responsible "citizens" of the community, not creating a nuisance because of bad behavior, which would disturb others. Please note that all cats and dogs must be registered with the Association. Guest's pets must meet the same criteria and should be short term. Steps must be taken to ensure that pets' actions do not interfere with the comfort or safety of other Occupants. A copy of the current Pet Policy is included elsewhere in this handbook. We have also included a copy of section 5-5 of the City of Santa Fe Pet Regulations concerning Owner's Duties.

PRECAUTIONARY MEASURES, FIRE HAZARD

Santa Fe is situated in the high desert. As such, we face extremely dry conditions during much of the year. It is important to understand that a carelessly tossed match or cigarette, a grill left burning, a chemical interaction or any of a myriad of other actions could have dire consequences. Please treat our grounds and surrounding areas with great care.

PRECAUTIONARY MEASURES, ICE AND SNOW CONDITIONS

During inclement weather, we recommend that you take precautions. Proceed slowly and with caution. Wear rubber soled shoes and avoid high heels until indoors. Steps, sidewalks and driveway areas may be slippery. Although your staff makes every attempt to clear these areas, your caution is advised. The Association does not guarantee that all areas will remain free of ice and snow at all times. You are responsible for your own safety in such circumstances.

PROPERTY ACCESS AND GATE CARDS

Initially, each Owner will be issued one gate card for each vehicle properly registered with the Association, up to two per Unit. Additional or replacement cards may be obtained through the office. A fee may apply. Gate access cards are not transferrable.

The Property gates are generally open from 7:00 a.m. until 6:00 p.m. for routine daytime access. After hours, guests must phone in for admittance. Instructions for use of the gates are provided to each Occupant upon registration with the Association. Generally, a local exchange land line or mobile telephone number is required to be able to provide your guests access to the Property after the gates are closed. Based upon availability, a long-distance number may be used, subject to a fee. Long distance availability is limited by our system.

Please do be observant of vehicles following you in through the gates, and of suspicious vehicles on property after hours. If you have concerns, call security at 505-995-0440.

We issue gate cards only to Owners and Occupants. Tenants will be required to provide a copy of their lease to the Association office before gate cards will be issued to them. If you have a guest staying with you for an extended period you may get a temporary gate card for them. The Owner or Occupant may be required to leave a deposit with the Managing Agent's office (cash or check only) for the temporary gate card. This deposit will be refunded at the time the temporary gate card is returned. Please note that if a temporary gate card is not returned in a timely manner the deposit will be forfeited.

Emergency vehicles have special access codes for entry when the gates are closed.

The gates are provided as a way to deter, not STOP, unauthorized access to the Property. The Association does not warrant that the presence of the gates ensures the safety or security of Owners, Occupants or guests.

SATELLITE DISHES

Satellite dishes are allowed only with the written approval of the Managing Agent. Please refer to Article 3.4 of the Declaration.

SEVERE COLD WEATHER

The following recommendations are meant to help you prevent frozen pipes and possible damage that might occur to your Unit, or neighboring Units, during cold weather.

- Leave the heat on at a comfortable setting of 65 degrees or higher during the hours you are away from your Unit.
- Remove any obstructions from the front of heat vents.
- Open the cabinets under the kitchen and bathroom sinks to allow heat to get to areas where pipes are likely to freeze.
- Immediately notify the Managing Agent's office of a lack of water coming from faucets. This could be an indication of a frozen pipe.
- Close all draperies and blinds in your Unit to prevent drafts and unnecessary heat loss.

SIGNS & POSTERS

Owners and Occupants shall not place, attach, affix, post, nail, tack, pin, hang or glue any signs, decals, placards or advertisements, including but not limited to messages of a business, political or personal nature, on doors, in windows, from patios, balconies or verandas, on lawns or anywhere else in the community or in the Common Elements. The Association may maintain one or more notice boards in various public areas of the property; any notices to be posted thereon must be approved and posted by the Managing Agent.

SPEED LIMIT

Please abide by our 10mph speed limit at all times. Your neighbors thank you!

SWIMMING POOL AND HOT TUB

The pool and hot tub are maintained exclusively for the enjoyment of our Owners and Occupants. These facilities are operated and inspected under rules set forth by Governmental regulations. If the pools do not meet hygiene standards, they may be closed by the inspector and /or the Managing Agent for maintenance and/or repairs. We ask your cooperation in the following so that the pool and hot tub will be available for your use at all times:

- **Lifeguards are not available. Swimmers swim at their own risk!**
- **Absolutely no diving is permitted.**
- **Persons under 14 years old must be accompanied by an adult (21 years of age) Owner or Occupant at all times.**
- **The pool and hot tub are not public facilities. A valid pool pass is required to be carried by persons using the swimming pool or hot tub, and its availability is subject to random checks. Each pass allows a maximum of three persons at any one time.**
- The pool is operated at the discretion of the Managing Agent. Swimming hours are generally 8:00 a.m. to 10:00 p.m. These hours may be restricted in winter, or times of water restriction, as determined necessary.
- Do not use hairpins or clips, soap or bubble bath while in the pool or hot tub.
- Proper swimming attire is required in the pool and hot tub area. No cut-off pants or thongs are allowed in the pool or hot tub.
- Owners and Occupants are requested to use discretion when inviting guests to the pool area, particularly during peak use times such as summer afternoons, weekends, and holidays. Guests who are not accompanied by an Owner or Occupant must have a valid pool pass and key. Owners and Occupants assume all risk when in the pool or pool area.
- Do not eat or drink within 5 feet of the pool edge.
- Take belongings and trash with you when leaving the area.
- Dangerous winds, sometimes combined with lightning and thunder, cause hazardous conditions in the pool areas. **Do not remain in the pool area under these conditions.**

- Governmental regulations prohibit the presence of glass containers in any public swimming pools and hot tub areas.
- Pets are strictly prohibited within the enclosed swimming pool and hot tub area.
- Smoking is strictly prohibited in the pool and hot tub area.
- Consumption of alcoholic beverages is strictly prohibited in the pool and hot tub area.
- Radios and portable tape recorders/CD players are to be used only with headphones in the pool and hot tub area. Wireless telephone use should be kept to a minimum. General “horseplay”, screaming, shrieking, running and shoving are inappropriate behaviors particularly at poolside.
- The pool, hot tub, fitness center and other Common Elements are maintained primarily for the pleasure of the entire community and cannot be enjoyed if they are overcrowded. Large social gatherings are not allowed.
- The Association reserves the right to restrict guests.

Electric or battery operated appliances must be kept a minimum of 10 feet from the edge of the pool or hot tub.

TRASH

No storage of trash or any other items will be permitted in or outside a Unit in such manner as to permit the spread of fire, odors, seepage or encouragement of vermin. If such trash is left outside of a Unit or on balconies, there may be a charge to the Owner or Occupant for having it removed. Dumpsters are to be used for household trash only. Please bag your trash prior to placing it in a dumpster. Cardboard boxes should be flattened prior to placing them in a dumpster. Oversized objects may create sanitation and odor problems as well as an inconvenience to the rest of the community. Please arrange to have larger items, such as furniture, mattresses, etc., taken to the local landfill. Do not place them in or next to a dumpster. A little extra attention to these details will enhance everyone’s comfort in the community. Be a good neighbor and pick up minor garbage (blowing paper etc.) when you see it and deposit it in the nearest dumpster. Please also notify the Managing Agent’s office of any major trash or Property concerns when you notice them.

UNIT IMPROVEMENTS AND REPAIRS

All Unit improvements and repairs must be performed by licensed, insured and bonded professionals. All improvements or repairs which will impact Limited Common Elements or Common Elements must have prior approval of the Board. Please schedule service and repair personnel during the hours of 9 a.m. and 5 p.m. Any after-market upgrades are the sole responsibility of the Owner and a Memorandum of Indemnity and Special Allocation Agreement must be filed for record with the County of Santa Fe, New Mexico and a copy of the recorded Memorandum is to be provided to the Board.

VEHICLES

All vehicles must be currently licensed and registered. Storage of trucks, campers, trailers, or boats is not permitted on the Property, unless expressly approved in writing by the Board of Directors. No junk or inoperable vehicles shall be kept on the Property.

Motorcycles are to be operated as quietly as possible while entering or exiting the Property and are never to be brought into the Units or Limited Common Elements.

The volume of your vehicle's sound system is to be kept at a low level when driving on or through the Association's Property. Refer to the section entitled "Noise" elsewhere in these Regulations for further clarification and restrictions.

Maintenance or repair of vehicles is prohibited anywhere on the Property.

Vehicles parked illegally will be towed at expense of the owner of the vehicle.

The Association is not responsible for theft, damage to or loss of vehicles for any reason.

WATERBEDS

Waterbeds are discouraged and are allowed only on the first floor and only with written approval by the Managing Agent. They must be installed by a reputable dealer with a guarantee against leakage and must be on a frame, which leaves a minimum of 3" between the bottom of the mattress and the carpet. Failure to allow for this space and letting a water mattress lay flat on carpet may create mildew, which may be hazardous to the Owners and Occupants. Owners and Occupants assume all liability for any damages caused by waterbeds, whether reputedly installed and guaranteed or not.

WINDOW TREATMENTS

As with balconies, the Association requires reasonable exterior conformity. Please keep draperies, shades, blinds and other window treatments, which are visible from the outside, in "neutral tones".

DISPUTE RESOLUTION

In the event a dispute arises concerning any claimed violation of these Regulations, an Owner may bring his or her grievance, in writing, before the Covenants Committee, if created, or the Board of Directors for a resolution. The Board of Directors or the Covenants Committee shall conduct a hearing with the parties involved, allowing each to present their case. The Covenants Committee shall render a decision within 30 days following the hearing, which may be appealed to the Board of Directors within ten days of the decision of the Committee. The decision of the Board of Directors shall be binding upon all parties.

ACKNOWLEDGEMENT OF RECEIPT

The undersigned have received the Reserve at Santa Fe Rules and Regulations dated December 15, 2010 and hereby acknowledge that the undersigned understand and agree to abide by the terms and conditions the Regulations and the Documents.

Owner's or Occupant's signature and printed name

Date

Owner's or Occupant's signature and printed name

Date

**FIRST AMENDMENT TO RULES AND REGULATIONS
OF THE RESERVE AT SANTA FE CONDOMINIUM ASSOCIATION**
(Effective _____, 2015)

The Reserve at Santa Fe Condominium Association (Association), acting by and through its Board of Directors (Board), has adopted Rules and Regulations last updated on December 15, 2010 (Regulations). The Board has approved the following amendments to the Regulations effective _____, 2015. Wherever in these Regulations initial capitalized terms are used, these terms shall have the meanings set forth in these Regulations, and if not set forth, in the Amended and Restated Condominium Declaration for The Reserve at Santa Fe, a Condominium (Declaration), the Bylaws of The Reserve at Santa Fe Condominium Association (Bylaws) and the New Mexico Condominium Act NMSA, 1978, § 47-7A-1 *et seq.* (Condominium Act), as amended. The term “Specially Allocated Expense” shall mean an expense incurred by the Association that may be assessed against an Owner and the Owner’s Unit due to the negligence or misconduct of the Owner or the Occupant of the Unit under paragraph 2.5 of the Declaration.

AMENDMENTS

SMOKING

Smoking is prohibited in the Common Elements and all Limited Common Elements. It is the responsibility of each Owner to inform the Owner’s property managers, tenants, guests or other Occupants of this restriction. If, as of the effective date of this Regulation, an Owner is renting or leasing a Unit to a tenant and the tenant was informed that the tenant may smoke within the Limited Common Elements area, the Owner shall be entitled to continue to rent or lease the Unit under this circumstance for the remainder of the initial term of the lease, terminating as of the termination of the lease or at the commencement of any renewal term. Such right is personal to the Owner and shall automatically expire upon sale or transfer of title to the Unit, excluding a transfer to an entity solely for estate planning purposes. Any Occupant taking possession of a Unit after the effective date of this Regulation shall be informed of the prohibition against smoking by the Owner or the Owner’s agent.

ANIMALS AND PETS

1. **Service Animals.** For the purpose of this Regulation, the term “Service Animal” shall mean a dog that has been or is being individually trained to do work or perform tasks for the benefit of an individual with a disability accompanied by its owner or trainer, but does not include a pet, an emotional support animal, a comfort animal or a therapy animal.

2. **Overriding Principal.** In general, the overriding principal for pets is that Owners and Occupants should be responsible “citizens” of the community. Owners and Occupants should not allow animals to become a nuisance because of bad behavior which would disturb other Owners and Occupants.

3. **Animals; General Restrictions.** The Declaration sets forth the following restrictions (in a single paragraph and separated below for convenience):

3.1 No animal, bird or reptile of any kind shall be raised, bred, or kept in a Unit, provided however, Owners or Occupants may keep in any Unit no more than two (2) animals being either dogs of gentle disposition, not exceeding approximately twenty (25) pounds in weight each at maturity, or cats; or such other household pets, approved and licensed by the Directors, as to compatibility with the Condominium.

3.2 Pets may not be kept, bred or maintained for any commercial purposes. Such pets shall not be permitted upon the Common Elements unless accompanied by an adult and unless carried or leashed. Any Owner who keeps and maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, Directors, and each Owner and the Declarant harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

3.3 All pets shall be registered with the Directors and shall otherwise be registered and inoculated as required by law. Any pet causing or creating a nuisance, danger to humans, or unreasonable disturbance or noise shall be permanently removed from the Property upon three (3) days written notice from the Directors. Seeing eye dogs and hearing ear dogs will be permitted for those persons holding certificates of necessity.

4. **Responsibility; Limitations.** The housing of pets is further subject to the following policies in order to implement and enforce the restrictions set forth in the Declaration:

4.1 Pets must be leashed and under control at all times when outside the fenced or walled area portion of the Limited Common Elements of a Unit. Voice command is not an acceptable form of control or restraint. All pets must be physically restrained on a leash no longer than eight (8) feet in length and under the immediate effective physical control of the person having custody of the animal. Pets shall not be allowed to create a nuisance or a hazard within the Condominium.

4.2 No dog shall be curbed in any courtyard or close to any patio area. All droppings shall be immediately removed by the animal's owner or handler. It is the responsibility of the owner or handler of a pet or Service Animal to immediately clean up after the animal. Pet owners and handlers of Service Animals may consider walking the animals along the adjacent arroyos on the east and west side of the Property. Use of the arroyos does not alter the responsibility to clean up after the animal.

5. **Registration; Owner; Occupant; Responsibility of Owner.**

5.1 Any Unit Owner or Occupant residing in a Unit who keeps and maintains any pet upon any portion of the Condominium shall register the pet with the Association and submit proof of current inoculation of the pet, as required by law. A yearly update of information is required for all pets. Written approval of the Owner of the Unit is required for the housing of any pet by an

Occupant¹. It is the responsibility of the Owner to assure compliance with these regulations by an Occupant.

5.2 In the event an Owner has not caused a pet to be registered with the Association with proof of current inoculation, the Owner of the Unit in which a pet is housed may be subject to a fine to be charged as a Specially Allocated Expense. The Association may remove any unregistered pet to an appropriate animal shelter as provided in the Declaration and charge any expense related thereto against the Owner of the Unit as a Specially Allocated Expense.

6. **Responsibility; Indemnity.** Owners and Occupants are responsible for their pets and Service Animals. Any Owner or Occupant housing a pet or Service Animal, or hosts a guest with a pet or Service Animal, or leases a Unit to a tenant housing a pet or Service Animals agrees to indemnify and hold harmless the Association and each other Unit Owner and Occupant from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet or Service Animal within the Condominium. In the event a pet or Service Animal damages the Common Elements, such damage is the responsibility of the Owner of the Unit in which the animal is housed and the costs for repair of such damage shall be charged to such Owner as a Specially Allocated Expense. Expenses in connection with any claim made against the Association shall also be charged against the Owner of a Unit in which the animal is housed, as a Specially Allocated Expense.

7. **Nuisance; Emergency; Removal.** Any pet causing or creating a nuisance or unreasonable disturbance or noise, or which when on the Common Elements, is not leashed or carried, shall be permanently removed from the Condominium upon written notice from the Community Relations and Covenants Committee. In the event a pet is found to be endangering the health, safety, or welfare of any person² or could cause substantial damage to any Unit or to any portion of the Common Elements, the Community Relations and Covenants Committee may immediately arrange for the removal of the pet to an appropriate animal shelter.

8. **Service Animals.**

8.1 Prior to being housed in any Unit, and annually thereafter, Service Animals of an Owner or Occupant residing in a Unit shall be registered with the Association with proof of current inoculation as required under paragraph 3. Service animals are permitted in all Common Elements. The registration form may include the following questions: (1) is the dog a service animal required because of a disability and (2) what work or task has the dog been trained to perform.

8.2 Service Animals must be accompanied by an Owner for whom the animal performs work, or trainer who is training the Service Animal for an Owner or Occupant and under control at

¹ Does the Association charge a fee? If so, add "All persons registering a pet will be required to pay an annual fee per pet in an amount as determined by the Board." Does the Association charge tenants and guests a deposit? If so, add "An Occupant must complete a Pet Agreement and Pet Registration and deliver a security and damage deposit to the Association, in an amount, for each animal, as established by the Board."

² Should barking be addressed?

all times. The provisions of paragraph 8.1 governing leashes do not apply to Service Animals if the leash interferes with the Service Animal's work or the individual's disability prevents use of such a device.

8.3 The provisions governing removal of animals do not apply to Service Animals. An owner of a Service Animal may be asked to remove the Service Animal from the Condominium if the (1) dog is out of control and handler does not take effective action to control the dog or (2) the dog is not housebroken. Any action addressing a Service Animal shall be taken only following written notice from the Community Relations and Covenants Committee.

9. **Applicability.** As of the Effective Date of this policy:³

9.1 If an Owner is housing a dog that may exceed approximately twenty (25) pounds in weight at maturity, the Owner shall be entitled to continue to house the dog until the dog dies or is no longer housed in the Unit. The Owner may not replace the dog with another dog that may exceed approximately twenty (25) pounds in weight at maturity. Such right is personal to the Owner and shall automatically expire upon sale or transfer of title to the Unit, excluding a transfer to an entity solely for estate planning purposes.

9.2 If an Owner is leasing a Unit to a Tenant or otherwise is permitting another person to temporarily reside in a Unit, and such Occupant is housing a dog that may exceed approximately twenty (25) pounds in weight at maturity, the Occupant shall be entitled to continue to house the dog until the expiration of the term of a lease, and in the case of a guest, ninety (90) days following the Effective Date, or until the death or removal of the dog. Upon expiration of a current lease, or in the case of a guest ninety (90) days following the Effective Date, no Occupant may house a dog that may exceed approximately twenty (25) pounds in weight at maturity. Such right is personal to the Owner leasing the Unit or allowing a guest to occupy the Unit and is not transferable to a new Owner unless necessary to comply with a bidding obligation under a lease then in effect at the time of sale. Otherwise, any right of an Owner under this paragraph shall automatically expire upon sale or transfer of title to the Unit, excluding a transfer to an entity solely for estate planning purposes.

ENFORCEMENT PROCEDURES

1. **Committee; Enforcement Powers.** The Community Relations and Covenants Committee (Committee) as a standing committee of the Board. The Committee is charged with regulating the external appearance, use and maintenance of the Common Elements pursuant to the Regulations of the Association and the Governing Documents and the Condominium Act. The Committee has the power to issue a cease and desist request to an Owner or Occupant whose actions are inconsistent with the provision of the Governing Documents (upon petition of any Unit Owner or upon its own motion). The Committee may also provide interpretations of the Regulations and shall have additional duties, power and authority as directed by the Board.

³ This is a "grandfather" provision – note it does not give a pass for more than 2 animals.

2. **Notice to Owners and Occupants; Resolution.** From time to time a dispute may arise concerning an Owner's or Occupant's violation of the Governing Documents or the Condominium Act. Before taking any action to impose a fine for any violation, the Committee shall provide written notice of any violation or noncompliance with the Governing Documents to the Owner or Occupant. The Committee shall impose time lines or deadlines for correction of such situations and proposed fines appropriate to the severity of the violation. The specific fines and time lines may vary for different levels of noncompliance or violation. The Committee is to treat all such matters in an equitable manner.

3. **Time Sensitive Matters.** Situations that might require an immediate correction and imposition of the maximum daily fine if not corrected may include, without limitation, situations that compromise the health or safety of others or the Property, such as storage of combustible materials on Property or the use of a personal barbeque grill on a patio or balcony. Situations that might be allowed up to ten (10) days and imposition of a minimal daily fine if not corrected in a reasonable and timely manner may include, without limitation, installation of noncompliant window coverings which are visible to outside view.

4. **Encouraging Compliance.** It is not the objective of the Committee to cause hardship. It is the Committee's objective to encourage conformance with the Governing Documents at all times by all Owners and Occupants, and to impose fines for continued noncompliance by Owners and Occupants.

5. **Notice of Noncompliant Use or Condition.** The Committee shall notify an Owner or Occupant, or both, in writing of any noncompliant use or condition in violation of the Governing Documents. Such notice shall state the general nature of the condition of nonconformity or violation and a time period allowed for correction of the violation and the date the daily penalty for failure to cure the violation will commence. The Committee shall allow the Owner or Occupant a maximum of 10 days to correct the noncompliant use or condition, during which time the Committee may waive penalties; or it may require an immediate or more prompt remedy of the violation, and immediate or prompt imposition of penalties. Failure of the Owner or Occupant to correct the noncompliant use or condition or take reasonable and timely action to correct the noncompliant use as described by the Committee shall result in the assessment of fines and penalties as provided in paragraph 6.

6. **Penalty; Daily Fine.** The Committee, on behalf of the Association, may assess a penalty or fine, as described on the schedule attached, identified as "levels" against the Owner, and in the case of an Occupant, against the Owner for the failure of the Occupant, to correct or cure a violation of the Governing Documents after the deadline for compliance set by the Committee in the notice. All penalties are imposed against the Unit and are enforceable as assessments as Specially Allocated Expenses.

7. Disputed Violations.

7.1 The Owner or Occupant may dispute the notice of violation by providing a written response to the Committee within 5 days of forwarding of the written notice of violation by the Committee. The written response shall specify why the Owner or Occupant disputes the violation described in the notice. In the event the violation is disputed, the Owner or Occupant and representatives of the Committee shall meet as soon as practical, but in no case more than 30 calendar days from receipt of the Owner's or Occupant's written response, to discuss and resolve the areas of dispute.

7.2 If the matter is not resolved, the Committee shall render a decision within 10 calendar days following the meeting and notify the Owner or Occupant of its decision. Thereafter the Committee will allow a maximum of 15 days to correct the noncompliance or violation or take reasonable and timely action to make corrections. At its discretion, the Committee may require immediate or more prompt remedy.

8. Appeal.

8.1 Following receipt of the Committee's decision the Owner or Occupant may appeal the decision of the Committee to the Board or Directors by filing a written notice of appeal with the Board within 10 days after delivery of the Committee's decision. The written notice of appeal shall specifically identify the portion of the Governing Documents interpreted or relied upon by the Committee and any factual basis for the decision, and list the error or errors claimed to have been made by the Committee. While an appeal is pending, all actions related to imposition of fines shall be stayed until a decision is issued by the Board. In the case of emergency actions, the filing of an appeal shall not negate cease and desist orders of the Committee or delay required corrective actions as set forth in the Committee's initial written notice of noncompliance or violation.

8.2 The Board shall conduct a hearing within 30 days after delivery of the first written notice of appeal to the Board. The Board may reverse, modify or affirm, in whole or in part, any decision of the Committee, by a majority vote of the members of the Board, present at the hearing (Board Decision). If the Board Decision requires enforcement action, the Committee shall proceed with any necessary enforcement action, consistent with the Board Decision, as soon as practicable.

TIME FRAMES FOR RESOLUTION AND FINE STRUCTURE:

Level One

- Simple non-compliance with no immediate/intentional threat to property or others
 - Written warning with request to change future behavior, then \$10 fine for each additional violation up to 5; \$50 fine for each additional violation after 5
 - Parking violation
 - Use of common facilities by non-resident owners
 - Littering
 - Misuse of common areas
 - Written warning with 72 hours to rectify, then \$10/day fine for each additional violation up to 10 days, \$50/day fine thereafter until rectified
 - Non-compliant interior window coverings
 - Posting of sign on property
 - Storage or placement of unapproved items on patios/balconies/common areas

Level Two

- Serious non-compliance with potential threat to property or others
 - Written warning with request for immediate and future compliance. \$20 fine for each additional violation after 5
 - Speeding
 - Written warning with 48 hours to rectify, then \$20/day fine up to 10 days or 10 occurrences, \$50 fine for each additional violation after 10 occurrences or each day of non-compliance
 - Trash in breeze ways
 - Lack of cleanliness of unit
 - Improper use of drains (refer to examples in the Rules)
 - Damaging common property (e.g. washers/dryers/fitness equipment/gates)
 - Unauthorized installation of satellite dishes

Level Three

- Severe non-compliance with potential legal ramifications
 - Warning with 24 hours to rectify, then \$25/day fine for each additional violation up to 10 days, \$50/day fine thereafter until rectified
 - Allowing or introducing oversized pets, or more than the allowable number of pets
 - Short term rentals
 - Unauthorized unit upgrades

Level Four

- Severe non-compliance with potential risk to others and property
 - Immediate action required. \$100 fine per occurrence, including first offense
 - Underage children in fitness center, or left unattended at pool. Please refer to the Rules age specifications
 - Consumption or possession of alcohol within the fenced pool area
 - Possession of glass containers of any type within the fenced pool area
 - Storage of potentially hazardous items on property (See list below)
 - Not reporting of roof or drain leaks when they occur

- Unleashed pets
- Allowing pets to defecate or urinate in or on patios, balconies, breeze ways or walkways
- Use of grills other than those provided by The Reserve
- Dropping cigarette butts in or around patios and balconies
- Pets in laundry room, fitness center, fenced-in pool area and enclosed office areas
- Pet bites
 - The association will notify Animal Control immediately upon learning of the bite situation
 - The owner of the pet must take the animal to a veterinarian immediately for evaluation and a rabies test
 - A copy of the veterinarians findings shall be provided to the Association office within 5 business days of the incident
 - Pet must be thereafter muzzled and leashed any time it is outside in the future
 - Pet's owner will be required to purchase liability insurance specifically addressing their animal's issue. A copy of the liability insurance policy naming The Reserve at Santa Fe Condominium Association as an additional insured must be provided to The Association office within 5 business days of the incident
 - The pet must be immediately and permanently removed from the premises if a second bites occurs
- Any violations of Article 3 of the Declaration may be subject to fines of this level.

The following items represent potentially hazardous items that shall not be stored in units, storage closets, or on patios, balconies and breeze ways. Please understand this is not an exhaustive list:

- | | |
|-------------------------------------|--|
| • Gasoline | • Welding torches |
| • Diesel fuel | • Mineral spirits |
| • Ethanol | • Commercial ammonia, bleaches and similar |
| • Biodiesel | • Acids |
| • Turpentine/kerosene | • Helium and hydrogen |
| • Acetone | • Potassium or lithium products |
| • Barbeque fuel (lighters, propane) | |