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party acquiring an interest in the Condominium Unit or an interest as a lessee shall be jointly and severally liable with the former Owner or lessor for all such amounts which had accrued and were payable at the time of the acquisition of such interest by such party without prejudice to such party's right to recover any of said amounts paid from the former Owner. Each such amount, together with interest thereon, may be recovered by suit for a money judgment by the Association without foreclosing or waiving any lien securing the same.

6.7.2 The holder of a first mortgage or first deed of trust on a Condominium Unit shall not be liable for any such assessment, charge, fine or penalty; and the lien for any such assessments, charges, fines or penalties shall be junior to any lien or encumbrance on a Condominium Unit taken in good faith and for value and perfected by recording in the office of the County Clerk before the time a notice of such lien is recorded in said office. Any mortgagee holding a lien on a Condominium Unit may pay, but shall not be required to pay, any unpaid common assessment payable with respect to such Unit, and upon such payment, such encumbrancer shall have a lien on such Unit for the amount paid of the same rank as the lien of his mortgage or encumbrance without the necessity of having to record a notice of claim of such lien. Upon request of the mortgagee, the Association shall report to the mortgagee of a Condominium Unit any unpaid common assessment or other charges remaining unpaid for longer than thirty (30) days after the same is due; provided, however, that a mortgagee shall have furnished to the Association written notice of such encumbrance.

6.8 Estoppel Certificate. Upon payment of a reasonable fee not to exceed \$50.00 and upon written request of any Owner or any person with any right, title and interest in a Condominium Unit or person intending to acquire any right, title or interest in a Condominium Unit (in which case the fee shall be paid by such prospective purchaser), the Association shall furnish a written statement setting forth the amount of any assessments, charges, fines or penalties, if any, due or accrued and then unpaid with respect to the Owner the Condominium Unit and the amount of the assessments for the current fiscal period of the Association payable with respect to the Condominium Unit, which statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid.

6.9 General. The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the Owner from his obligation to pay the common expenses.

#### ARTICLE 7

##### USE AND OTHER RESTRICTIONS

7.1 Restrictions on Use. "Residential Units" shall mean all Condominium Units. A residential Unit shall be used for residential purposes only, and no residential Unit shall be occupied for living or sleeping purposes by more persons than it was designed to accomodate safely. No residential Unit

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shall be used at any time for any business or commercial activity, except that the Owner thereof may lease or rent such residential Unit for private residential, living or sleeping purposes.

**7.2 Common Elements Restrictions.** All use and occupancy of Common Areas and Facilities shall be subject to and governed by rules and regulations of the Association. No Owner and no Owner's guest shall obstruct, damage or commit waste to any of the Common Areas and Facilities. No Owner and no Owner's guests shall change, alter or repair or store anything in or on any of the Limited Common Elements or Common Areas and Facilities without the prior written consent of the Association.

**7.3 No Imperiling of Insurance.** No Owner and no Owner's guests shall do anything or cause anything to be kept in or on the project which might result in an increase in the insurance premiums of insurance obtained for the project or which might cause cancellation of such insurance without the prior written consent of the Association.

**7.4 No Violation of Law.** No Owner and no Owner's guests shall do anything in or on the project which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

**7.5 No Noxious, Offensive, Hazardous or Annoying Activities.** No noxious or offensive activity shall be carried on upon any part of the project nor shall anything be done or placed on or in any part of the project which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No activity shall be conducted on any part of the project and no improvements shall be made or constructed on any part of the project which are or might be unsafe or hazardous to any person or property. No sound shall be emitted on any part of the project which is unreasonably loud or annoying. No odor shall be emitted on any part of the project which is noxious or offensive to others. No light shall be emitted from any part of the project which is unreasonably bright or causes unreasonable glare. Determinations with respect to whether or not a particular activity or occurrence shall constitute a violation of this Article 7.5 shall be made by the Board of Directors of the Association and shall be final.

**7.6 No Unsightliness.** No unsightliness shall be permitted on or in any part of the project. Without limiting the generality of the foregoing, nothing shall be kept or stored on or in any of the Common Areas and Facilities nothing shall be hung or placed upon any of the Limited Common Elements or Common Areas and Facilities, and nothing shall be placed on or windows or doors of Units which would or might create an unsightly appearance. Window draperies shall be white or lined with white material in order to present a uniformly aesthetic exterior appearance. Determinations with respect to whether or not a particular activity or occurrence is unsightly shall be made by the Board of Directors of the Association and shall be final.

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7.7 Restriction on Animals. No animals, birds or reptiles or insects shall be kept on any part of the project without the prior written consent of the Association.

7.8 Restriction on Signs. No signs or advertising devices of any nature shall be erected or maintained on any part of the project without the prior written consent of the Association. The Association shall permit the placing of at least one sign of reasonable size and dignified form to identify the project.

7.9 No Violation of Rules. No Owner and no Owner's guest shall violate the rules and regulations adopted from time to time by the Association, whether relating to the use of Condominium Units, the use of Common Areas and Facilities, Limited Common Elements or otherwise. Determinations with respect to whether or not a particular activity or occurrence shall constitute a violation of this Article 7.10 shall be made by the Board of Directors of the Association and shall be final.

7.10 Owner Caused Damage. If, due to the act or neglect of an Owner or such Owner's guests, loss or damage shall be caused to any person or property, including the project or any part therein, such Owner shall be liable and responsible for the same except to the extent that such damage or loss is covered by insurance obtained by the Association and the carrier of such insurance has waived its rights of subrogation against the Owner. The amount of such loss or damage may be collected by the Association from such Owner as a special assessment against such Owner, by legal proceedings or otherwise, and the amount shall be secured by a lien on the Condominium Unit of such Owner as provided in Article 6 of this Declaration for assessments or other charges.

7.11 Reservation. Notwithstanding any provision to the contrary contained in this Declaration, Declarant, its agents, brokers and contractors may maintain during the period of construction and sale, such facilities and activities as reasonably required, convenient or incidental thereto, including without limitation, a business office, storage area, construction yards, signs, model units, sales office, parking and lighting.

## ARTICLE 8

### INSURANCE

8.1 Insurance Requirements Generally. The Association shall obtain and maintain in full force and effect at all times certain casualty, liability and other insurance as hereinafter provided. All such insurance shall be obtained, to the extent possible, from responsible companies duly authorized to do business in the State of New Mexico with a rating in the Insurance Guide (or any comparable publication) of at least A-AAAA (or any comparable rating). All such insurance, to the extent possible, shall name the Association as the insured in its individual capacity and also either as attorney-in-fact or trustee for all Owners.

To the extent possible, such casualty insurance shall: