

RESOLUTION AND CLARIFICATIONS

OF

EAST RANCH ASSOCIATION

REVISED AND REAFFIRMED

7/18/18

TABLE OF CONTENTS

2004 Resolution

Resolution to Article 4.9 of the Covenants: Fee for Review of Plans 1

Resolution to Article 8.8 of the Bylaws: Officers and Their Duties 2

Clarifications

Clarification to Article 3.7 of the Covenants: Fence and Wall..... 4

Clarification to Article 3.9 of the Covenants: Garage and Vehicle Screening 5

EAST RANCH HOMEOWNERS ASSOCIATION
RESOLUTION OF BOARD OF DIRECTORS
[August 6, 2004]

The Bylaws of the East Ranch Association ("Bylaws"), at Section 4.5, provide the Board of Directors ("Board") "the right to take any action in the absence of a meeting that could be taken at a meeting by obtaining the written approval of all the directors. Any actions so approved shall have the same effect as though taken at a meeting of the directors."

The Declaration of Covenants for East Ranch Subdivision, recorded in Book 990, pages 243-274, of the Records of Santa Fe County ("Declaration"), as amended in the Amended and Restated Declaration of Covenants for East Ranch Subdivision, recorded on May 13, 1994, in Book 1056, pages 402-434 of the Records of Santa Fe County, New Mexico ("Amended Declaration") at Section 4.9 and Section 7.1 of the Bylaws, provided the Board authority to act on behalf of the East Ranch Association ("Association"), and increase or decrease the fee an applicant submits along with development plans to the Association.

The Amended Declaration States:

"4.9 Fee for Review of Plans.

Each applicant for approval of plans shall pay to the association a fee for the review concurrently with submittal of plans. Initially, this fee shall be Fifty Dollars (\$50.00). The Board may, by resolution, establish a higher or lower fee."

It is desirable that the fee be increased to cover the cost of reviewing submitted plans and include a compliance factor *for all construction regardless of the scope or nature of the project.*

It is further resolved that each applicant for approval of plans shall pay to the Association a fee for the review concurrently with submittal of plans. Plans and review fee shall be submitted with the Architectural Approval Form to the Architectural Control Committee. Upon acceptance of the plans and before the project may be started, the applicant shall post a compliance fee to the Association. Any new structure on an undeveloped lot shall require a Four Hundred Dollar (\$400.00) review fee and a Two Thousand Dollar (\$2,000.00) compliance fee. For any renovation/addition of one thousand (1,000) square feet, a review fee of Four Hundred Dollars (\$400.00) and a compliance fee of Two Thousand Dollars (\$2,000.00) shall be required. For renovations/additions under one thousand (1,000) square feet, a review fee of Two Hundred Dollars (\$200.00) and compliance fee of One Thousand Dollars (\$1,000) is required. The review fee will be non-refundable. The East Ranch Association will hold the compliance fee until the completion of the project. If the finished project is in compliance with established architectural standards as decided by the Architectural Committee and the job site is cleared of any debris located on the property within forty-five (45) days after construction is completed, the fee will be released to the applicant. If the project is non-compliant, the East Ranch Association shall have the discretion to use the compliance fee to pay for whatever changes are necessary to reach compliance. By the unanimous decision of the Architectural Committee, the review fee

and/or the compliance fee may be waived or reduced based on the minor nature of the proposed project and the likely minor consequences of any compliance failure.

It is further resolved that an applicant must notify the Association, or its duly appointed representative(s), to allow its inspection of the property in the following instances:

1. When the slab or foundation stem wall are complete, an elevation shall be established therefore by a licensed surveyor with reference to an established benchmark, prior to construction;
2. When the parapet is completed for a flat roofed building, or when the roof is completed for a pitched roof building; and
3. When the construction is completed.

It is further resolved that, to provide further guidance to builders under Section 3.3.1 of the Covenants, the following standards are hereby adopted:

All driveways, private roads and parking areas shall be constructed of a minimum of three inches (3") of compacted base course. Starting at the common road, a minimum of twenty feet (20') of the driveway must be constructed to this specification at the time of site preparation, before any construction begins. The remaining driveway and parking areas may be completed at any time prior to occupancy.

It is further resolved that , to clarify the duties of the Treasurer, and upon a majority vote taken on March 22, 2005 at the annual meeting, that Article 8.8 of the Bylaws, which currently states that:

Article 8.8 – Officers and Their Duties

The duties of the officers are as follows:

Treasurer – The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

This shall be amended to read:

Treasurer – The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; shall cause an annual compilation report of the Association books to be made by a public accountant at the completion of a specified fiscal year only upon a receipt of a written request by December 31 on the applicable fiscal year, signed by the owners of at least four (4) lots (representing at least ten percent {10%} of the lots in East

Ranch) and subject to a possible special assessment on all lots from the Board to pay for the expense of doing so; and shall prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

Claude Jack, President
Bonnie Keene, Vice President
Lou Bruno, Secretary
Sheralyn Storr, Director
Richard Cost, Director

Certificate of Resolution of Board Directors

I, Lou Bruno, Secretary of the East Ranch Association, a non-profit corporation under the laws of New Mexico, certify that the above is a full, true, and correct copy of the Resolution of the Board of Directors of the East Ranch Association, duly and regularly passed and adopted by all of the Board of Directors of the East Ranch Association, in lieu of a meeting, and in accordance with the Bylaws of the East Ranch Association, Section 4.5, on August 6, 2004.

I have executed this certificate as Secretary, on March 22, 2005.

Lou Bruno, Secretary

3/26/14

BOARD CLARIFICATION OF EAST RANCH ASSOCIATION COVENANT ARTICLE 3.7

The following is a clarification of Covenant Article 3.7 in the East Ranch Association Covenants.

The use of coyote fencing has been approved in East Ranch. However, outlining the finer details of such a fence, as permitted in East Ranch, is necessary to further define construction style and specifications to insure consistent architectural adherence.

Thus, in addition to compliance with all conditions of the existing Article 3.7, the following criteria for the construction of coyote fences:

1. All horizontal support systems shall face inward towards the existing residence and/or enclosed area with vertical coyote poles being the external face of the fence as seen from the street or neighbor's view;
2. All turning points where the horizontal line of the fence changes direction shall have a masonry pier;
3. Any continuous horizontal span of fence greater than twenty (20) feet shall have an approved masonry pier dividing the span in half;
4. All of the above is contingent on the coyote fence beginning and ending against an Architecture Committee approved house, garage, or outbuilding structure;
5. Freestanding screening coyote fences for recreational vehicles or boats also are required to have masonry piers on each corner; and
6. The Architecture Committee must approve all pier materials.

BOARD CLARIFICATION OF ARTICLE 3.9 OF THE EAST RANCH ASSOCIATION COVENANTS, EFFECTIVE SEPTEMBER 9, 2015

Issue: Garage and Vehicle Screening Covenant Enforcement

Background:

The Covenants for East Ranch were prepared around 1994 by the developer and her attorney. This development was the Managing Partner's first real estate development and she relied heavily on her lawyer's experience and proposals. A primary concern was, of course, the sale of all the lots and the Covenants were created, for among other reasons, to appeal to buyers who might want some protection from other lot buyers' building whims and to ensure an overall appearance which would not deter potential buyers. The garage and screening requirement appears to be based on her desire to keep vehicles out of view from the road so that potential buyers would not see them and find them distracting from the development's appearance.

To this end, the Covenant Articles 3.9.1 and 3.9.2 provide that each lot must have a two-car garage, which must be used for parking vehicles; use of the garage for storage or other purposes is only permitted as an ancillary use and may not displace the parking of vehicles within the garage. Covenant Article 3.9.3 requires that additional vehicles "shall be screened from view by means of a coyote fence, wall, or other similar treatment."

There have been frequent and recurring violations of these Covenant Articles by numerous lot owners. Despite occasional reminders from the East Ranch Association Board (the Board), many of these infractions have continued, while others have complied with the Covenants. The only way to ensure complete enforcement of this Covenant would require the initiation of a lawsuit against each of the offenders: a costly, time consuming, and divisive option for our small community. Also, additional assessments would be required of each lot owner to pay for such action(s) and for those reasons the Board has yet to initiate any such action. Yet, every lot owner agreed to the East Ranch Association Covenants when purchasing his/her lot and has no legal basis to object.

The Board is willing to consider waiving the requirement that the garage must be used to store the vehicles as long as the vehicles on each lot are reasonably well screened from view of the road and other lots.

Clarification:

3.9.1

A garage of sufficient size to accommodate at least two automobiles shall be constructed with each house.

3.9.2

The garage shall be used for vehicles and incidental storage so long as vehicles can still be parked therein. Any storage areas shall be constructed in addition to the garage.

Clarification of 3.9.1 and 3.9.2: A four-month grace period may be granted to new residents in recognition of the garage being needed for temporary storage associated with the move.

Personal use automobiles and light trucks may be parked outside the garage for that time period. At the conclusion of the four-month grace period, the personal use automobiles and light trucks must be stored in the garage or screened as pursuant to 3.9.3.

3.9.3

Extra automobiles, trailers, recreational vehicles and similar mobile structures and vehicles shall be screened from view by means of a coyote fence, wall or similar treatment.

Clarification of 3.9.3: The Architecture Control Committee (Architecture Committee) may approve screening for all mobile structures and vehicles mentioned in Article 3.9.3 which shall also include boats, light trucks and any additional motorized vehicles. The property owner must submit a screening plan to the Architecture Committee for approval. This screening plan may include an auxiliary building, a coyote fence with masonry corners, a masonry wall and/or natural screening of either existing or newly planted trees or foliage and also must include a prepared gravel paddock. The Architecture Committee shall have final approval of the screening. If an owner fails to comply with the screening requirements, the unscreened vehicles must be stored outside of East Ranch property.

Process to be implemented:

1. All screening plans must be submitted to the Architectural Committee in accordance with Article 4 of the East Ranch Covenants. For personal use automobiles and light trucks that will not be garaged, the screening plan must be submitted within 90 days of taking ownership of the property. For all vehicles listed in 3.9.3 and the clarification, a screening plan must be submitted within 45 days of the vehicle(s) coming onto the property.
2. The lot owner must submit a \$200, non-refundable, review fee with the proposed screening plan. A compliance fee of up to \$1000 may be required, depending on the scope of the proposal, to be returned upon the satisfactory and timely completion of the project.
3. Upon approval of the screening plan, there will be a maximum construction window of 120 days. If construction is determined to take longer than that, the vehicle(s) to be screened must be stored outside of East Ranch until the screening/structure is completed. Violation of this requirement is subject to the forfeiture of the construction performance bond at the discretion of the Architecture Committee.

So long as each lot owner complies quickly and continuously with this vehicle screening regulation, the Board shall not, as a matter of policy, enforce the requirement that each lot owner maintain and use two parking spaces for vehicles within the required garage.