

DECLARATION OF TIMESHARING RESTRICTIONS

This Declaration of Timesharing Restrictions is made this 25th day of JAN, 1980, by North American Land Developments, Inc. (hereinafter referred to as "Owner"), the Owner of Lots 137 and 138, Block 6, Golf Course Unit 8, Timberon Subdivision, Otero County, New Mexico, the plat of which was filed for record on the 26th day of March, 1979, recorded in Book 24, Page 43, together with six (6) modular, furnished residential Units located thereon.

By this Declaration, Owner intends to establish a common scheme and plan for the use, enjoyment, repair, maintenance, restoration, remodeling and improvement of the Units and the interests therein so conveyed or reserved, and the payment of taxes, assessments and other expenses pertaining thereto, and declares that the Units shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared to be in furtherance of a plan established for the purpose of enhancing and perfecting the value, desirability and enjoyment of the Units and the interests so to be conveyed or reserved. All such limitations, restrictions, covenants and conditions are intended to run with the land, to wit, the interests so conveyed or reserved, and to inure to the benefit of and be binding upon each interest so conveyed or reserved and all parties having or acquiring any right, title, interest or estate herein:

1. DEFINITIONS. The following terms as used in this Declaration shall have the following meanings:

(a) "Owner" shall mean North American Land Developments, Inc., or any successor in interest by merger or by express assignment of the rights of Owner, recorded in the Records of Otero County, New Mexico.

(b) "Units" shall mean the six (6) modular, furnished, residential structures located on Lots 137 and 138, Block 6, Golf Course Unit 8, Timberon Subdivision, Otero County, New Mexico, together with any additions of structures and/or lots which may be added to this Declaration by a Supplemental Declaration.

(c) "Timesharing Ownership" is a concept whereby individual Units and a share of the common elements assigned to the Units are conveyed for periods of time, the Purchaser receiving a stated time period for a period of years or a variable time period for a period of years, together with a remainder over in fee simple as a tenant-in-common with all other Purchasers of "Unit Weeks" in each Unit in the year 2010.

(d) "Unit Week" means a period of ownership in a Unit computed as follows:

Unit Week No. 1 is the seven (7) day period commencing at 4:00 p.m. on the first Saturday in each year and terminating on the following Saturday at 11:00 a.m. Unit Week No. 2 is the seven (7) day period succeeding Unit Week No. 1. Additional weeks up to and including Unit Week No. 51 are computed in a like manner. Unit Week No. 52 contains the seven (7) days succeeding the end of Week No. 51 without regard to the month or year. Unit Week No. 53 contains any excess days not otherwise assigned.

(e) "Purchaser" means the owner of one or more Unit Weeks.

(f) "Association" means the Timberon Timesharing Owners Association.

(g) "By-Laws" means the By-Laws of the Association as they exist from time to time.

(h) "Maintenance Week" shall mean two (2) Unit Weeks which shall be set aside for maintenance and restoration of each Unit each year.

(i) "Furnishings" shall mean furniture and furnishings in a Unit or other personal property from time to time owned by the Association.

(j) "Institutional First Mortgage" shall mean the first mortgage of Security National Bank of Roswell, or its successors or any successor mortgages in the event the original mortgage is refinanced.

2. MANAGEMENT OF THE UNITS. Management of the Units, maintenance and repair of the Units, acquisition, maintenance, repair and replacement of furnishings, and administration of the affairs of Purchaser with respect to the use of the Units, occupancy of the Units and payment of expenses and costs enumerated in this Declaration, shall be under the direction and control of the Association. The Association shall have exclusive possession of a Unit during the Maintenance Weeks.

The Association shall have all of the powers and duties set forth in this Declaration, the By-Laws of the Association and the Articles of Incorporation of the Association, including but not limited to the following:

(a) To repair, maintain, repaint, remodel, furnish or refurnish a Unit or any part thereof; to establish reserves for anticipated costs, including the acquisition and replacement of furnishings; and to acquire and pay for materials, supplies, furniture, furnishings, labor or services which the Association deems necessary or proper for the maintenance and operation of the Unit.

(b) To pay all taxes and assessments, and other costs or charges affecting or relating to the Units; and to discharge, contest or protest liens or charges affecting the Units.

(c) To obtain and pay the cost of electrical, telephone, gas, cable television and other utility services for the Units.

(d) To obtain and pay the cost of legal and accounting services necessary or proper in the maintenance and operation of the Units and the enforcement of this Declaration.

(e) To obtain and pay the cost of casualty and liability insurance covering the Units.

(f) To do all other acts or things necessary or appropriate to the ordinary and necessary operation and maintenance of the Units or to preserve and protect the Units in the event of any emergency.

(g) To delegate the authority and responsibilities of the Association hereunder to a management firm for such periods and upon such terms as the Association deems proper.

(h) To collect from each Purchaser a maintenance fee; to determine a budget; to enforce the payment of the maintenance fee; and to take proper steps to enforce any of Purchaser's obligations hereunder.

(i) To enter into agreements with organizations providing exchange services between Purchaser of Unit Weeks in the Units and owners of time periods in other resorts and collect any necessary fees resulting from same.

3. MAINTENANCE WEEKS. Upon conveying a total of thirty (30) Unit Weeks in any Unit or upon six (6) months from the date of the first conveyance of a Unit Week in any Unit, whichever date comes first, the Owner agrees to convey to the Association one Unit Week to be used for maintenance purposes. Upon conveying a total of fifty (50) Unit Weeks in any Unit or one (1) year after the date of the first conveyance of a Unit Week in any Unit, whichever date comes first, the Owner agrees to convey to the Association a second Unit Week to be used for maintenance purposes.

4. MAINTENANCE FEE. All Purchasers of Unit Weeks in a Unit will pay a maintenance fee. The maintenance fee shall include the following:

The repair and upkeep of the Unit for normal wear and tear (example - repainting interior walls); casualty and liability insurance on the Unit; utilities for the subject Unit; personal property, real estate, and any other applicable taxes; any other expenses incurred in the normal operation and maintenance of the Unit which cannot be attributed to a particular Unit Week Purchaser.

The maintenance fee shall be prorated among all Purchasers of Unit Weeks by applying a fraction, the numerator of which is the number of Unit Weeks owned by a specific Purchaser, the denominator of which is fifty (50), to the total of all such expenses. The foregoing shall not apply to any Unit Week conveyed to the Association for maintenance purposes.

Notwithstanding the above, the Association shall have the power to levy pro rata special assessments against each Unit Week in the event the maintenance fee is not sufficient to cover the anticipated expenses of the Unit.

The Board of Directors of the Association shall approve annual budgets in advance for each fiscal year and the budgets shall project anticipated income and estimated expenses. Failure of the Board to include any item in the annual budget shall not preclude the Board from levying a special assessment in any calendar year for which the budget has been projected.

After adoption of a budget and determination of the Maintenance Fee per Unit Week, the Association shall assess such sum by promptly notifying all Purchasers by delivering or mailing notice thereof to the Purchaser at the address shown on the Books and Records of the Association. Maintenance Fees shall be due and payable January 1 of each year. Special assessments shall be due and payable ten (10) days after delivering or mailing notice of the special assessment to the Purchaser at the address shown on the Books and Records of the Association.

The record owners of each Unit Week shall be personally liable and severally, to the Association for the payment of all Maintenance Fees and special assessments and all costs of collection of delinquent Maintenance Fees and special assessments.

Maintenance Fees and special assessments that are unpaid for over ten (10) days after due date shall bear interest at the rate of ten percent (10%) per annum from due date until paid and at the sole direction of the Board of Directors, a late charge of \$10.00 shall be due and payable.

The Association shall have a lien on each Unit Week for any unpaid Maintenance Fees and special assessments, together with interest thereon against the Purchaser of such Unit Week, together with a lien on all tangible personal property located in the Unit and belonging to said Purchaser, except that such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. The said lien shall be effective from and after the time of recording in the public records of Otero County, New Mexico, of a claim of

lien stating the description of the Unit Week, the name of the record owner, the amount due and the date when due, and the said lien shall continue in effect until all sums secured by the lien shall have been fully paid. All such claims of lien shall be signed and verified by an officer or agent of the Association. Where any such lien shall have been paid in full, the party making payment thereof shall be entitled to receive a satisfaction of such lien in such form that it may be recorded in the public records of Otero County, New Mexico. Any and all such liens herein provided for shall be subordinate to the lien of a mortgage or other lien recorded prior to the time of recording of the claim of lien. The Board of Directors may take such action as they deem necessary to collect the Maintenance Fee and/or special assessment by personal action or by enforcing and foreclosing said lien and may settle and compromise the same if in the best interests of the Association. The delinquent Purchaser shall pay all costs, including reasonable attorneys' fees, for filing any action or suit enforcing and foreclosing a lien, and the lien shall be deemed to cover and secure such costs and fees. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose a Maintenance Fee and/or special assessment lien and to apply as credit against said bid all sums due the Association which are covered by the lien enforced.

As to priority between the lien of a recorded mortgage and the lien for any Maintenance Fee or special assessment, the lien for any Maintenance Fee or special assessment shall be subordinate and inferior to any recorded institutional first mortgage, regardless when said Maintenance Fee or special assessment was due, but not to any other mortgage. Upon the recordation of a Judgment or Decree of Foreclosure issued pursuant to the foreclosure of an institutional first mortgage, any lien for a Maintenance Fee or special assessment due and payable prior to such recordation shall be deemed abolished, but the lien of any Maintenance Fee or special assessment due and payable after the recordation of said Judgment shall not be impaired and shall be effective as to the grantee receiving said property pursuant to a foreclosure sale.

Any person who acquires an interest in a Unit Week, except through foreclosure of "an institutional first mortgage", shall be personally liable and jointly and severally liable with the grantor, for any unpaid Maintenance Fee or special assessment up to the time of the transfer of ownership.

Any person purchasing or encumbering a Unit Week shall have the right to rely upon any statement made in writing by a corporate officer, regarding Maintenance Fees and special assessments against Unit Weeks which have already been made and which are due and payable to the Association, and the Association and the members shall be bound thereby.

5. PERCENTAGE INTEREST IN UNIT. The respective interests of each owner of one (1) Unit Week in the remainder shall be .333.

6. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION. Every person or entity who is the record owner of a Unit Week in a Unit shall be a member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member. Said membership shall automatically terminate when such person or entity no longer owns such Unit Week.

The total number of votes to be cast by the Owner and Purchasers shall be three hundred (300), determined by multiplying the six Units by the fifty Unit Weeks which are available for sale. The Maintenance Weeks shall not possess the right to vote.

There shall be one person with respect to each Unit Week who shall be entitled to vote at any meeting of the Association and such person shall be known (and is hereinafter referred to) as a "Voting Member". If a Unit Week is owned by more than one person, the owners of said Unit Week shall designate one of them as the Voting Member, or in the case of a Corporate owner, an officer or employee thereof shall be the Voting Member.

Each Purchaser or group of Purchasers shall be entitled to the number of votes equal to the number of Unit Weeks owned by such Purchaser or group of Purchasers. The foregoing shall not apply to any Unit Week conveyed to the Association for maintenance purposes. The vote of a Unit Week is not divisible.

7. AMENDMENT. This Declaration may be amended at any regular or special meeting of the Association, called and convened in accordance with the By-Laws, by the affirmative vote of Voting Members casting not less than fifty-one (51%) percent of the total votes of the Members of the Association. Such Amendment shall not be effective until certified by the President and Secretary of the Association and recorded in the Public Records of Otero County, New Mexico. No Amendment shall change, affect or alter a Purchaser's percentage interest in the Unit or the voting rights appurtenant to any Unit Week unless the record owner thereof, and all record owners of mortgages or other voluntarily placed liens therein, shall join in the execution of the Amendment. No Amendment shall change the rights and privileges of the Owner without the Owner's written approval.

Notwithstanding the above, the Owner, in its sole discretion, may subject other Units which it is the record owner of to this Declaration by filing a Supplemental Declaration in the Public Records of Otero County, New Mexico. Said Supplemental Declaration shall describe the Unit or Units being added and declare that the Unit or Units shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the provisions of this Declaration. Upon recording of such Supplemental Declaration, said Unit or Units shall be subject to this Declaration, as fully as if such Unit or Units were described in this Declaration on the date of recording of same. Upon recording of such Supplemental Declaration, this Declaration shall be deemed amended to accord the Owner and Purchaser of the new or additional Units being added full voting rights. No one other than the Owner can submit additional Units to this Declaration.

8. BY-LAWS. The operation of the Units shall be further governed by the By-Laws of the Association. No modification of or an Amendment to the By-Laws of said Association shall be valid which would affect or impair the validity or priority of any mortgage covering any Unit Week, or which would change the rights and privileges of the Owner without its written approval.

9. INSURANCE. The Association shall obtain and pay the cost of: (i) casualty insurance covering the Units and furnishings against loss or damage by fire and other hazards customarily covered by casualty insurance policies written with extended coverage; (ii) public liability insurance, insuring against liability for personal injury or property damage resulting from an occurrence in, on or about the Units; and (iii) any other insurance deemed necessary or desirable by the Board of Directors of the Association. Casualty insurance shall be in an amount equal to the maximum insurable replacement value of the Unit and the personal property therein without deduction for depreciation as determined annually by the Board of Directors of the Association.

10. DAMAGE OR DESTRUCTION. In the event of any damage or destruction to a Unit or the furnishings therein, except as otherwise provided in this Declaration, the Association shall forthwith cause such damage to be repaired and shall so apply any available insurance proceeds. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Association

shall assess and the Purchaser shall pay the cost thereof or deficiency in proportion to their percentage interest in the remainder unless the damage was caused by the intentional or negligent act or omission of any Purchaser, his family, guests, invitees or lessees, in which event the cost of repair or deficiency shall be paid by such Owner and a lien filed against his Unit Weeks in accordance with the provisions of Section 5 if same is not paid within ten (10) days of being submitted a bill by the Association.

Any proceeds allocable to a Unit and payable to the Purchasers of Unit Weeks therein as the result of (i) the dissolution or termination of the Timesharing Project for any reason, (ii) any excess of insurance proceeds over the cost of repair or restoration or (iii) any similar cause, not required to repair or restore the Unit or furnishings or any part thereof or paid to compensate any one or more Purchasers, for loss or damage to their individual person or property (in which case such distribution shall be with due regard to the loss or damage incurred), shall be distributed to the Purchasers in proportion to their respective percentage interest in the remainder.

11. TERMINATION. It is understood that in the year 2010 all Owners of Unit Weeks in a Unit shall become tenants-in-common and at that time this Declaration shall terminate unless the Purchasers vote to continue to keep it in force as provided herein. The Board of Directors of the Association shall, no less than thirty (30) days, nor more than sixty (60) days prior to the actual date of such conversion to tenancy in common call a meeting of all Purchasers. At such meeting, a vote shall be taken to decide the disposition of the Units. A quorum at such meeting shall be a majority of the total outstanding votes of all Purchasers. At such meeting the Purchasers by a majority vote, may vote to continue their Unit Weeks, in which case the restrictive covenants set forth below will be adopted as covenants running with the land for a period of ten (10) years. The Board of Directors of the Association shall, no less than thirty (30) days, nor more than sixty (60) days prior to the actual expiration of said ten (10) year period, call a meeting of all Purchasers. A quorum at such meeting shall be a majority of the total outstanding votes of all Purchasers. The Purchasers may then vote to continue their Unit Weeks for an additional ten (10) year period. This process shall be repeated as the end of each successive ten (10) year period approaches. Should less than a majority of the Purchasers vote to continue their Unit Weeks at any such meeting, then the Board of Directors of the Association shall file suit in a court of competent jurisdiction in Otero County, New Mexico, for partition of the Units.

In the event the Purchasers vote to continue their Unit Weeks as provided above, then each Purchaser shall have the exclusive right to occupy his Unit, and as between Owners to use and enjoy the common areas and the rights and easements appurtenant to his Unit, during his Unit Weeks (and, in the case of Owner, during all Unit Weeks not theretofore conveyed), and to authorize others so to do, together with the nonexclusive right in common with all other Purchasers but only when acting through the Association, to maintain and repair the Units during Maintenance Weeks. No Purchaser shall occupy his Unit, or exercise any other rights of ownership in respect of his Unit other than the rights herein provided to him, during any other Unit Weeks unless expressly so authorized by the Purchaser entitled to occupy the Unit during such Unit Weeks, or during any Maintenance Week except when acting through the Association. Each Purchaser shall keep his Unit and all furnishings in good condition and repair during his Unit Week or Weeks, vacate the Unit at the expiration of his Unit Week or Weeks, remove all persons and property therefrom excluding only furnishings, leave the Unit in good and sanitary condition and repair, and otherwise comply with such reasonable checkout and other procedures as may from time to time be contained in rules promulgated by the Association.

No Purchaser or other person or entity acquiring any right, title or interest in a Unit shall seek or obtain through any legal procedures, judicial partition of the Unit or sale of the Unit in lieu of partition at any date prior to the expiration of each successive ten (10) year period voted by a majority of Purchasers. If, however, any Unit Week(s) shall be owned by two or more persons as tenants-in-common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Unit Week(s) in lieu of a partition as between such co-tenants or joint tenants.

12. USE AND OCCUPANCY. Every Purchaser shall (in addition to other obligations and duties set out herein):

(a) Promptly pay the Maintenance Fee and special assessment levied by the Association.

(b) Conform to and abide by the By-Laws and Rules and Regulations adopted in writing from time to time by the Board of Directors of the Association and to see that all of their guests abide by same.

(c) Allow the Board of Directors or the agents and employees of the Association to enter a Unit during any Purchaser's Unit Week between 8:00 a.m. and 6:00 p.m., for the purpose of maintenance, inspection, repair, replacement of the improvements or furnishings and at any time in case of an emergency threatening a Unit.

(d) Be liable for all of the expenses of repairs or replacements to the Unit or its components, furnishings, carpeting, appliances or other property, real, personal, or mixed, occasioned by the specific use or abuse of any Purchaser or any licensee or tenant of said Owner.

(e) Allow the Board of Directors to determine the interior color scheme, decor and furnishings, of each Unit, as well as the proper time for re-decorating and replacements thereof.

13. RESTRICTION ON PURCHASERS. Except as otherwise provided in this Declaration, by direction of the Association, by express consent of all Purchasers or required to prevent damage or injury to persons or property in an emergency, no Purchaser shall make improvements, decorations or repairs to his Unit or the furnishings or contract so to do or subject his Unit or the furnishings to any liens for the making of improvements, decorations or repairs.

14. HOLDOVER PURCHASERS. In the event any Purchaser fails to vacate his Unit at the expiration of his Unit Week(s) each year, or at such earlier time as may be fixed by the rules and regulations adopted by the Association from time to time, he shall be deemed a "holdover Purchaser". It shall be the responsibility of the Association to take such steps as may be necessary to remove such Holdover Purchaser from the Unit and to assist the Purchaser of any subsequent Unit Week, who may be affected by the Holdover Purchaser's failure to vacate, to find alternate accommodations during such holdover period.

In addition to such other remedies as may be available to it, the Association shall secure, at its expense, alternate accommodations for any Purchaser who may not occupy his Unit due to the failure to vacate of any Holdover Purchaser. Such accommodations shall be as near in value to the Purchaser's own Unit as possible. The Holdover Purchaser shall be charged for the cost of such alternate accommodations, any other costs incurred due to his failure to vacate, and a penalty of \$100 per day during his period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over, in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the Holdover Owner.

The Association shall submit a bill to the Holdover Purchaser in accordance with this paragraph. In the event the Holdover Purchaser fails to pay same within ten (10) days of the date of same, a lien shall be filed against said Holdover Purchaser's Unit Weeks in accordance with the provisions of Section 4 hereof.

15. MAINTENANCE AND ALTERATIONS. The Board of Directors of the Association may enter into a contract with any firm, person or corporation for the management, maintenance and repair of the Units, and may delegate to the manager all of the powers and duties of the Association, except such as are specifically required by this Declaration, or by the By-Laws, to have the approval of the Board of Directors or the membership of the Association. The manager may be authorized to determine the budget, determine the Maintenance Fee, and special assessments and collect same, as provided by this Declaration, By-Laws and exhibits to the Declaration.

16. PARKING SPACES. Use of the parking space appurtenant to each Unit by each Purchaser within a Unit shall be limited to his period of ownership of Unit Weeks each year.

17. WAIVER OF RIGHT OF PARTITION. No Purchaser shall bring or have any right to bring any action for partition or division of the Units or the real property on which the Units are located. Notwithstanding this provision, if any Unit Week(s) is owned by two or more persons as tenants-in-common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Unit Weeks in lieu of partition as between such co-tenants or joint tenants.

18. MISCELLANEOUS PROVISIONS.

(a) No Purchaser may exempt himself from liability for the payment of any Maintenance Fee or special assessment by waiver of the use and enjoyment of his Unit Week(s) or by the abandonment of his Unit Week(s).

(b) Real Estate tax bills for the Units shall be mailed to the Association by the Tax Assessor. No Purchaser shall be entitled to his own individual bill unless the Tax Assessor sends each Purchaser of Unit Weeks a separate tax bill.

(c) If any provision of this Declaration shall be held invalid it shall not affect the validity of the remainder of this Declaration.

(d) Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given when delivered personally or when deposited in the United States mail addressed to any Purchaser at the address shown on the Books and Records of the Association.

(e) The provisions of this Declaration shall be binding upon all parties having or acquiring any right, title or interest in a Unit or any part thereof and shall be for the benefit of each Purchaser and his heirs, successors and assigns. Each Purchaser (including Owner) shall be fully discharged and relieved of liability on the covenants hereunder insofar as the same relate to each Unit Week upon ceasing to own any interest therein and paying all sums and performing all obligations hereunder in respect of such Unit Week to the time his ownership interest terminated.

(f) The failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce such provision thereafter.

(g) The section titles at the beginning of each numbered section of this Declaration are for convenience only and the words contained therein shall not be considered to expand, modify or aid in the interpretation, construction or meaning of this Declaration. As used herein, the singular shall include the plural, the plural shall include the singular, and the masculine or neuter gender shall include the feminine gender. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Units.

(h) The interval conveyance consists of an estate for years together with a remainder over as tenant-in-common with all other Purchasers in a Unit in the year 2010. No Purchaser shall have the right to separate the estate for years from the remainder interest.

(i) Once a Unit Week has been conveyed by the Owner, no Purchaser shall sell, convey, hypothecate or encumber less than all of his interest in any Unit Week; and any sale, conveyance, hypothecation or encumbrance by any Purchaser of less than all of his interest in a Unit Week shall be null, void and of no effect.

IN WITNESS WHEREOF, the undersigned has executed this Declaration on the day and year first above set forth.

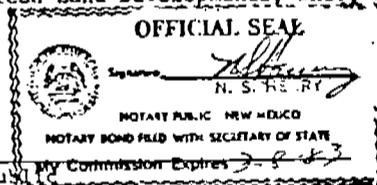
NORTH AMERICAN LAND DEVELOPMENTS, INC.,
a New Mexico corporation.

By: Johnny F. Mobley
Johnny F. Mobley, President

STATE OF NEW MEXICO)
) ss:
COUNTY OF LINCOLN)

Subscribed and sworn to before me this 25th day of January, 19 80.

by Johnny F. Mobley, President of North American Land Developments, Inc., a New Mexico corporation.



Notary Public

My Commission Expires:
3-8-83



STATE OF NEW MEXICO) ss.
OTERO COUNTY)
FILED FOR RECORD IN MY OFFICE
This 17 day of March 1980
2:30 clock 7 M. and duly recorded
in Book No. 481 Page 590-98 of
the records of Otero County, New Mexico
Margaret D. [Signature]
County Clerk, Otero County, New Mexico
[Signature]

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