

**Ratification and Affirmation of
and
First Amendments to
Declaration of Restrictive Covenants for
Chama West Subdivision**

The Declaration of Restrictive Covenants for Chama West Subdivision made September 1, 1988 and recorded in the records of Rio Arriba County, New Mexico at Book 537 Page 3945, Document Id: 2014-03945, Receipt Number 21075 Pages 1-15, ("Declarations") are hereby ratified and affirmed and then amended as set forth below.

1. Article IX, is hereby deleted and replaced with the following:

ARTICLE IX

RESTRICTION ON RESIDENTIAL TRACTS

Section 1. **Number and Type of Buildings:** No buildings or structures shall be placed, erected, altered or permitted to remain on any residential tract other than:

- A. One residential home, minimum size of 1000 square feet of living area;
- B. One attached or detached garage;
- C. One auxiliary building. Including but not limited to: Barn for livestock, Art Studio, Shop for wood working; and
- D. One Storage Shed.

Section 2. **Construction or Remodeling:** Any and all structures built on any residential tract shall be of a kind, shape, height, material and in harmony with surrounding structures and topography. No garage, storage shed or other building shall be constructed on any residential tract until after commencement of construction of the dwelling house on the same residential tract. Owner and Owner's contractor are prohibited from commencing construction or remodeling until all required permits are obtained from the State of New Mexico and/or Rio Arriba County. All construction or remodeling work shall be pursued diligently and each building's structure or improvement which is commenced on any residential tract shall be completed within eighteen (18) months after commencement of construction. No residential unit shall be occupied in any manner until a Certificate of Occupancy has been issued by the State of New Mexico, Construction Industries Division.

Section 3. **Building Specifications:** All construction must comply with all applicable residential building codes for the State of New Mexico and Rio Arriba County. Sanitary (Septic) Systems

must be permitted, approved and in compliance with the requirements and regulations of the State of New Mexico, including but not limited to, the New Mexico Environment Department, and be installed by an appropriately licensed contractor. Modular homes which are built off site, and comply with all applicable New Mexico Residential Building Codes and are then trucked in and placed on a permanent foundation are allowed. Mobile Homes and Manufactured homes built on steel trailers with permanent axles are not permitted.

Section 4. Used or Temporary Structures: No used or previously erected house, house trailer, mobile home, storage trailer or nonpermanent outbuilding, shall be allowed to remain on any residential tract except during construction. In no event shall a travel trailer, motor coach, camper, portable shed, mobile home, or manufactured home be used for or in place of a permanent dwelling unit.

Section 5. Exterior Lighting and Miscellaneous Obstructions: All exterior lights and light standards on residential tracts shall be for the purpose of safety and convenience only and shall not interfere with or cause a nuisance to any other land owner in the subdivision. All miscellaneous obstructions, including but not by way of limitation, towers, antennae or tanks used for the storage of gas, fuel oil, gasoline or water shall be located and used in such a manner so as not to cause undue hardship or nuisance to any other property owner.

Section 6. Garbage Disposal: Home owner is obligated to dispose of household garbage and other waste in a manner approved by or in accordance with the requirements of all public health environmental and other agencies of the State of New Mexico and Rio Arriba County. In no event shall any type of garbage or waste material be dumped or openly disposed of on the subdivision property or on any other surrounding property whether privately or publicly owned.

Section 7. No Further Division of Tract: No tract within the Chama West Subdivision as platted in Plat Book I-88, page 1938, on November 3, 1988, in the Office of the County Clerk for Rio Arriba County, New Mexico, shall be divided so that any portion of the original tract is less than the original ten (10) acres. This prohibition against the reduction of any lot to less than the original ten (10) acres shall not prohibit any owner from consolidating two (2) or more contiguous tracts of ten acres each into larger tracts, consistent with the rules and regulations of Rio Arriba County; e.g., two contiguous lots of ten (10) acres each consolidated into one lot of twenty (20) acres.

2. Article XI, Section 1 is hereby deleted and replaced with the following:

Section 1. Tap and Water Fees: The individual property owners shall be required to pay the Chama West Water Users Association tap fees and monthly water fees as said fees shall be established by the Chama West Water Users Association.

DECLARATION OF RESTRICTIVE COVENANTS FOR
CHAMA WEST SUBDIVISION

THIS DECLARATION is made this _____ day of _____, 1988, by E. T. Reilly, Sr., whose address is 9445 Hildebrandt Road, San Antonio, Texas, 78222, hereinafter referred to as "Declarant".

Declarant is the owner of the real property located in the County of Rio Arriba, State of New Mexico, more particularly described as follows, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

Declarant desires to create on the Property a residential community and a commercial community with open spaces and other common facilities for the benefit of the communities (known as Chama West Subdivision).

Declarant, for himself, his successors and assigns, desires to provide for the preservation of the values and amenities in said communities, and for the development, installation, extension, operation, and maintenance of services, private roads and amenities, and to this end desires to subject the Property, together with such additions as may hereafter be made thereto, to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof and the association of homeowners created herein.

Declarant has deemed it necessary to create an entity which should be delegated and assigned the powers of operating and owning the systems, maintaining and administering the community property and facilities, and administering and enforcing the covenants and restrictions, and collecting and dispersing the association fees, assessments and charges hereinafter created.

An owners' association will exercise the aforementioned functions.

In consideration of the acceptance hereof by the several purchasers and grantees (their heirs, administrators, personal representatives, successors and assigns, and all persons or concerns claiming by, through or under such grantees) of deeds to lots in said subdivision, Declarant hereby declares to and agrees with each and every person who shall be, or shall become, owners to any of said lots, in addition to the ordinances of the County of Rio Arriba and the laws of the State of New Mexico, shall be and are hereby bound to all by the covenants set forth in these presents and that the property described in these restrictions shall be held and enjoyed subject to and with the benefit and advantage of the following restrictions, limitations, conditions and agreements.

ARTICLE I

DEFINITIONS

Section 1. The following words, when used in this declaration or any supplemental declaration hereto, shall, unless the context otherwise prohibits, have the meaning set forth below:

A. "Association" shall mean and refer to the Chama West Land Owners' Association, a New Mexico nonprofit corporation.

B. "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Each owner shall be a member of the Association.

C. "Property" shall mean and refer to that certain real property described above.

D. "Common Properties" shall mean and refer to certain areas of land as shown on the final plat. Common properties shall be created as shown on the site plan by platted tract designation. Areas created as common properties by virtue of a platting shall be for the benefit of all owners.

E. "Declarant" shall mean and refer to E. T. Reilly, Sr., his successors and assigns.

F. "Lot" shall mean and refer to any plot of land shown on any recorded subdivision map of the property, with the exception of common properties.

G. "Final Plat" shall mean the plat of the Chama West Subdivision as approved by the Board of County Commissioners of Rio Arriba County, New Mexico, on the 22nd day of July 1988.

H. "Residence" shall mean and include single family dwellings.

I. "Commercial" shall mean and include all types of commercial buildings used for any legal business.

J. "Accessory Structure" shall mean any awning or storage building or cabinet established for use by the occupants.

ARTICLE II

GENERAL PURPOSE OF COVENANTS

The real property described above is subject to the conditions, covenants, restrictions, reservations and easements hereby declared to insure the best use and most appropriate development and improvement of each building site thereof; to protect the owners of building sites

against such improper use of surrounding sites as will depreciate the value of their property; to preserve so far as practical the natural beauty of such property; to preserve and guard against the erection thereon of poorly designed or proportioned structures and structures built of improper or unsuitable materials; to insure the highest and the best development of said property; to encourage and secure the creation of attractive dwellings thereon, with appropriate location thereof, on building sites; to secure and maintain adequate free space between structures; and in general to provide for a high quality development;

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is all of that certain plot, piece or parcel of land situate, lying and being in the County of Rio Arriba and State of New Mexico more particularly described in Exhibit "A".

ARTICLE IV

PROPERTY RIGHTS

Section 1. Platted Roads: All platted roads in the Chama West Subdivision are owned in common by the various owners of properties within the platted area and are private roads for access to all lots within the subdivision by owners and guests and emergency vehicles and public agencies. Maintenance of said roads shall be paid by the Association. No costs of road maintenance shall be borne by Rio Arriba County on any roads developed within the boundaries of the subdivision unless and until such roads are dedicated to Rio Arriba County.

Section 2. Owners' Easements of Enjoyment: Every owner shall have a right and easement of enjoyment in and to the common areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions.

A. The right of the Association to suspend the voting rights of an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

B. The right of the Association to dedicate or transfer all or any part of the common areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless approved by two-thirds of all the members.

Section 3. Delegation of Use: Any owner may delegate this right to the enjoyment of the common areas and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

Section 4. Title to Common Properties: When the Declarant conveys legal title or any interest to the common properties now or thereafter developed and installed, whether by it or the Association, to the Association, the conveyance shall be subject to these covenants, restrictions, easements, charges and liens.

Section 5. Extent of Owners' Easements: The rights and easements of enjoyment created hereby shall be subject to the following:

A. The right of the Association to suspend the enjoyment rights of any Owner for nonpayment of any amount due the Association or for any infraction of its published rules and regulations.

B. The right of the Declarant and of the Association to grant and reserve easements and rights-of-way in, through, under, over and across the common properties, for the installation, maintenance and inspection of lines and appurtenances for public or private water, electric, sewer, drainage, telephone, cable television, gas and other utilities or purposes and the right of the Declarant to grant and reserve easements and rights-of-way in, through, under, over, upon and across the common properties for the completion of the Declarant's work or other purpose.

ARTICLE V

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot must become a member of the Association upon acquisition of said Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Each membership shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lots shall be exercised as they among themselves may determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each Lot owned within the property, hereby covenants, and each owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

A. Annual assessments or charges;

B. Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided;

C. Reserve account assessments to be paid upon the sale of any Lot by the purchaser of such Lot.

The annual, special and reserve account assessments, together with interest, costs and reasonable attorneys' fees shall be a charge on the land and shall be a continuing lien on the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties, and for the improvement and maintenance of the common area; to operate and maintain the water and road systems of the subdivision; to establish a reserve account for the maintenance of Common Properties, and road maintenance.

Section 3. Maximum Annual Assessments: The Board of Directors of the Owners' Association may determine that the residential sites and the commercial sites may be required to pay more than 200% of any such assessment assessed against an individual residential lot owner. The Board of Directors may fix the annual assessment.

Section 4. Special Assessments for Capital Investments: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each member who is entitled to vote, either in person or by proxy, at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4: Written notice of any meeting called for the purpose of taking any action authorized by Sections 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum of the preceding meeting. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Date of Commencement of Annual Assessments: The annual assessments provided for herein shall commence as to all Lots on the conveyance of the common areas. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in

advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors of the Association. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Additionally, upon the sale of any Lot, the purchaser of such Lot shall pay to the Association a sum equal to one year's annual assessment to be held by the Association in a reserve account.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Association may bring an action at law or equity against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common areas or abandonment of his lot.

Section 8. Subordination of the Lien to the Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

EASEMENTS

Section 1. Easements: Declarant does hereby establish and create for the benefit of the Association and for all owners from time to time, for the benefit of the Common Properties, and does now hereby give, grant and convey to each of the aforementioned, the following easements, license, rights and privileges:

A. Rights-of-way for ingress to and egress from the properties in, through, over and across the streets, roads, trails and walks and provided access thereto and the common properties as they may be built or relocated in the future for all purposes and, if the Association fails to maintain the same, the right to maintain and repair the same;

B. Right to connect with and make use of electric and telephone lines, wires, pipes, conduits, cable television lines, drainage lines and water lines which may from time to time be in or along the streets and roads or other areas of properties subject to the regulations, charges and assessments of the Association and, if the Association neglects to keep them adequately maintained, the right to maintain and repair the same.

Section 2. Reservation of Easements: Declarant and the Association reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across any easements shown on plats of the properties, for the purpose of completing their work and, toward this end, reserve the right to grant and reserve easements and right-of-ways in, through, under, over and across the common properties and the easements within the properties for the installation, maintenance and inspection of lines and appurtenances of public or private water, sewer, electric, telephone, drainage, cable television, gas and other purposes and for any other materials or services necessary for the completion of the work or other purpose. Declarant and the Association also reserve the right to connect with and make use of the water and sewer lines and systems, utility lines, wires, pipes, conduits, cable television and drainage lines which may from time to time be in or along the streets and roads or other areas of the properties.

ARTICLE VIII

GENERAL RESTRICTIONS ON ALL PROPERTIES

Section 1. Zoning Regulations: No lands within the subdivision shall ever be occupied or used by or for any structure or purpose, or any manner which is contrary to the zoning regulations of Rio Arriba County, New Mexico, validly in force from time to time, and no site shall be altered or changed from the use which is designated on file with the Rio Arriba County Clerk.

Section 2. Signs: No signs of any kind shall be displayed to the public view on the building site, except one sign of not more than two square feet designating the owner of the building site, one sign of not more than two square feet advertising the property for sale or rent; however, on commercial sites, signs shall be governed and controlled by Rio Arriba County ordinances, New Mexico State ordinances or such ordinances as the same may be changed or amended.

Section 3. Nuisances: No noxious or offensive activity shall be carried on upon any site, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, nor shall any unlawful use be made of any of the properties, and all valid laws, zoning ordinances and regulations shall be observed.

Section 4. Animals: No animal, livestock or poultry of any kind shall be raised for commercial purposes on any site. Any livestock or poultry must be for private use, and the owner must contain (fence in) said livestock and/or poultry with a fence as defined by the New Mexico Cattle Code or some other type of containment for small livestock and/or poultry. Contrary to the New Mexico Cattle Code, the owners of livestock within Chama West Subdivision will have to fence their livestock, animals and poultry in. Ordinary household pets may be kept provided that they are not bred or maintained for any commercial purpose. Ordinary household pets shall be subject to all control provisions for such animals as enacted and enforced by the State of New

Mexico and Rio Arriba County from time to time. Ordinary household pets (dogs, cats, etc.) shall be kept on a leash or under control of their owner at all times.

Section 5. Conveyance of Property: No deeds or contracts shall be made in multiple family ownerships.

Section 6. Water Rights:

A. Springs. Springs located on the property shall be used for grass irrigation only, and the flow of such springs shall not be impaired or impeded in any manner whatsoever.

B. Water. No water shall be used for irrigation of lawns and/or gardens.

Section 7. Site Access: The property owners and their successors in title shall be entitled to use the designated access roads to and from U. S. Highway 64/84 for the purpose of ingress and egress to and from such property.

Section 8. Firearms: No hunting or discharge of firearms shall be allowed within the subdivision.

Section 9. Garbage and Refuse Disposal: No property shall be used or maintained as a dump ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. No trash, garbage or rubbish shall be burned on the site, and all rubbish and trash shall be removed from all properties and shall not be allowed to accumulate.

Section 10. Clearing of Trees: There shall be no removal of living trees from the properties except that which must be removed in connection with construction, landscaping or that which is consistent with good conservation practices. All debris from construction and landscaping shall be removed or chipped.

Section 11. Vehicles and Use Thereof: No unlicensed road vehicles shall remain on a site for more than ninety (90) days. Trail bikes, snowmobiles, all-terrain vehicles, scooters and the like and motor vehicles will be used on designated roads and trails only. Drivers of motor vehicles shall obey speed and traffic control signs as posted by the Association.

ARTICLE IX

RESTRICTIONS ON RESIDENTIAL TRACTS

Section 1. Number and Location of Buildings: No buildings or structures shall be placed, erected, altered or permitted to remain on any residential tract other than:

A. One residential home;

B. One attached or detached garage and one storage building or barn or shed for care of livestock. Said barn and/or shed to be of a kind, shape, height, material and location in harmony with the surrounding structures and topography so as not to deteriorate the land values of adjacent landowners. No building or other structure shall be constructed or allowed to remain on any location which blocks any road or right-of-way within the development, or which will cause extreme or undue inconvenience to any other owner within the subdivision. All existing roads and rights-of-way shall be left open for all lot owners for purposes of ingress and egress.

Section 2. Dwelling Home to be Constructed First: No garage, storage shed or other building shall be constructed on any residential tract until after commencement of construction of the dwelling house on the same residential tract. All construction and alteration work shall be pursued diligently and each building structure or improvement which is commenced on any residential tract shall be entirely completed within eighteen (18) months after commencement of construction. Any and all buildings or construction, whether it be new buildings or remodeling, if necessary and when applicable, shall be first approved and done in accordance with a building permit secured from the State of New Mexico and/or Rio Arriba County.

Section 3. Building Specification: Any and all structures built on any residential tract shall be of a kind, shape, height, material, location and harmony with surrounding structures and topography. The material shall be new log, cedar, aluminum siding or other similar conventional siding. Every dwelling unit constructed shall be a minimum of 1000 square feet in floor area.

Section 4. Used or Temporary Structures: No used or previously erected or temporary house, structure, house trailer or nonpermanent outbuilding shall ever be placed, erected or allowed to remain on any residential tract except during construction period, and no dwelling house shall be occupied in any manner prior to its completion. In no event shall a trailer or motor coach or camper be used for, or in place of a permanent dwelling unit.

Section 5. Exterior Lighting and Miscellaneous Obstructions: All exterior lights and light standards on residential tracts shall be for the purpose of safety and convenience only and shall not interfere with or cause a nuisance to any other land owner in the subdivision. All miscellaneous obstructions, including but not by way of limitation, towers, antennae or tanks used for the storage of gas, fuel oil, gasoline or water shall be located and used in such a manner so as not to cause undue hardship or nuisance to any other property owner.

Section 6. Garbage Disposal and Sanitary Systems: Each dwelling house shall have toilet facilities and owner shall be obligated to dispose of any and all other types of garbage and waste in a manner approved by or in accordance with specifications of all public health agencies of the State of New Mexico and County of Rio Arriba, and in no event shall any type of garbage or waste material be dumped or openly disposed of on the subdivision property or on any other surrounding property, whether privately or publicly owned.

Section 7. No Further Division of Tract: No residential tract with the Chama West Subdivision may be further divided by a purchaser into a smaller tract. All residential tracts within the Chama West Subdivision shall remain a minimum size of ten acres.

ARTICLE X

RESTRICTIONS ON COMMERCIAL SITES

Section 1. Commercial property sites shall be governed by the Board of County Commissioners of Rio Arriba County and their ordinances.

Section 2. Building Restrictions: No commercial building or buildings, if there is more than one, shall occupy more than fifty percent (50%) of the area of any commercial lot. The building material for all commercial structures shall be new log, cedar, metal siding or other conventional siding material normally used in construction.

Section 3. Legal Operations: All business shall be operated in accordance with the laws of the County of Rio Arriba, the statutes of the State of New Mexico, and such federal regulations as may be appropriately applied to said business.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Tap Fees: The individual property owner shall be required to pay the Association water fees, and said fees shall be established by the Declarant, his successors and assigns.

Section 2. Enforcement: Any owner shall have the right to enforce, by any proceeding at law or in equity, all restriction, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this declaration. Failure by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability: Invalidation of any one of these covenants or restrictions by court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 4. Amendment: The covenants and restrictions of this Declaration shall run with and bind the land for a term of ten years from the date of this Declaration, after which time they shall automatically extend for successive periods of ten years each. This Declaration may be amended during any period by a majority vote of the owners of the property. Any amendment hereto must be recorded.

Section 5. Covenants to Run: All of the covenants contained in this instrument shall be a burden on the title to all of the lands of the subdivision, and the benefits and burdens of all said covenants shall run with the title to all of the lands in said subdivision.

Section 7. Paragraph Headings: The paragraph headings in this instrument are for convenience only and shall not be construed to be part of the covenants contained herein.

IN WITNESS WHEREOF, the undersigned, the Declarant herein, has hereunto set his hand and seal this _____ day of _____, 198____.

E. T. Reilly, Sr.
9445 Hildebrandt Road
San Antonio, Texas 78222

RULES AND REGULATIONS OF THE CHAMA WEST WATER USERS ASSOCIATION

[As Amended Through March 10, 2019]

These rules and regulations are issued in compliance with the By-Laws of the Association and are designed to govern the supplying and taking of services rendered by the Association. They are subject to change from time to time to ensure the proper management of the Association.

Accompanying these Rules and Regulations is a Fee and Tariff Schedule. The Fee and Tariff Schedule will be updated by the Board of Directors on a regular basis to reflect the Association's costs of service. The current Water Rate Schedule, Membership Application, and Application for New Service Connection are also included at the end of this document.

The Chama West Water Users Association water distribution system is designed for use by the parcels made up from Chama West Subdivision as recorded with the Rio Arriba County Clerk on November 3, 1988, Plat Book I-88, Page 1938 and Martin-Borders Subdivision designated "N/F E.T. Reilly Sr., Book 152, Pages 37 & 38. Each parcel will be subject to a minimum water charge whether or not a meter is installed, for the benefit and maintenance of the entire Chama West Water User distribution system. [revised March 10, 2018]

1. APPLICATION FOR CONNECTION TO WATER SERVICE

1.1. Membership

Water service will be available subject to the availability of water capacity as provided by the Association's bylaws. Membership shall be as provided by the Association's By-Laws. All persons wishing to obtain service from this Association must be lot owners within the service area and shall follow the process noted in Section 1.2, below. Renters shall obtain water service, as stated in Section 1.4, below. [revised March 10, 2019]

1.2. Process

To obtain water service, the applicant must submit the following forms (The members of the Board of Directors will have access to the forms):

- (i) **Membership Information Form** providing basic information on who is responsible for the bill and meter location (if installed), which will be used for billing information. [revised March 10, 2019]
- (ii) **Application for New Connection** with right of way/easement, if needed. [revised March 10, 2019]
- (iii) Payment of water connection fee, meter installation fee, and/or other applicable fees established by the Association. (See Fee and Tariff Schedule attached)
- (iv) Show proof of property ownership to the Board of Directors of this Association. Incomplete applications may be grounds for denial of service. Water service will not be available until these forms have been completed, approved by the Association and all applicable fees have been paid in full. Please note that this is for a simple installation.

Commercial fees approved by the Board of Directors on a case by case basis.



1.3. Approval

Upon submitting a Membership Information Form, Application for New Connection, and payment of fees, the Board of Directors or its Designee shall promptly review and make its decision on the application. If the application is disapproved, the fees shall be refunded. After approval the fees are non-refundable. [revised March 10, 2019]

1.4. Water Services for Rental Property

Applications for renters' water service may be approved by the Secretary/Treasurer of the Association, with a current membership in good standing. The property owner/member shall be responsible for all bills incurred, but the association will send bills to renters if the owner files a CWWUA Owner-Tenant Billing Application co-signed by the renter. [revised March 10, 2019]

1.5. Water Rights and Fees

Current members requesting additional service connections will be required to provide water rights transferable to the Association or pay for fees associated with the acquisition of additional water rights.

1.6. Water Shortage

In the event of a shortage of water, the Association shall take appropriate measures, such as restrictions to water use and acquisition of additional water, to meet the needs of the Association.

1.7. Sale of service(s)

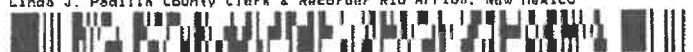
Water service is for sole use of the member or customer, who applied for and was approved to receive service. Members or customers are prohibited from re-selling service(s) being provided by the Association.

1.8. Additional Facilities Required for Service

Service connection(s) requiring additional facilities, as required by the Association's Rules & Regulations and/or system design criteria and/or by State or Federal agencies, shall be installed by the Association or by the member(s)/customer(s) requesting or receiving the service. The member(s)/customer(s) are responsible for costs and fees associated with the additional facilities to include the maintenance, repair and replacement of the additional facility.

1.9. Shut-off Valve

Each metering facility shall have a shut-off valve on the member/customer-side of the meter. This valve shall be installed and maintained by the member/customer. The intent of the valve is for the member/customer to be able to shut off and reopen their service in the event of an emergency or when they make repairs on their service lines within their property. The Association has the option to assess a fee to open or close the service when requested by the member and/or customers. [revised March 10, 2019]



2. WATER SERVICE

2.1. Water Service Available

Water services shall be considered available when the Association maintains the water supply at normal pressure at the point of delivery in readiness for the member's use, regardless of whether or not the member makes use of it and charges shall be made for availability of water.

All Association members/customers are subject to at least a minimum water charge whether or not a meter is installed on their property. Water tariffs and charges are as shown in the Fee and Tariff Schedule. Failure to pay for the minimum water service charge within the time provided herein, and after due notification by the Association, shall result in liens being filed on the property and/or disconnection of service. An active member may voluntarily activate or deactivate their water service for a fee, however, the minimum charge for water service shall still apply.

Activation or deactivation of a water service requires a signed statement by the member requesting that the meter be activated or deactivated. During deactivation the member will still be assessed a minimum charge for service. Activation commences the initiation of billing for that service. Any recorded water usage on a deactivated service is a violation of this policy is grounds for the penalties specified in the Fee and Tariff Schedule and/or disconnection of service at any facility in service by the member.

2.2. Water Service Connection

Water service connection will be commenced when the application process has been completed by the property owner, the application has been approved by the Association and all applicable fees have been paid in full. Upon completion of this application process a metering facility will be installed or activated by a certified operator employed by the Association at the main water line easement. Violation of this policy by the property owner may result in termination of water service and the assessment against the property owner of any federal and/or state fines assessed against the Association due to contamination of the water system or other violation of federal or state law or regulation. [Revised, March 12, 2016]

2.3. Legal/Illegal Water Service Connections

Water service shall consist of facilities to supply water at normal operating pressure of the system to one dwelling or commercial unit at the meter. Water service is for the sole use of the member, his agent(s) or tenant(s) at the location requested and does not permit the transfer or cross-connection of water by any means to another dwelling or commercial unit. Multiple connections are prohibited by Association and are unfair to the members of the Association. A representative of the Association shall have the right at all reasonable hours to enter upon member's premises for the purpose of inspection and enforcement of this provision. A violation of this policy is grounds for a penalty as specified in the Fee and Tariff Schedule and/or disconnection of service at any facility in service by the member.

2.4. Connection to Private Systems

There shall be no physical connection between any private water system/well and the water system of the Association unless adequate backflow prevention is provided. A representative of the Association shall have the right at all reasonable hours to enter upon member's premises for the purpose of inspection and enforcement of this provision. Violation of this provision is cause for



disconnection of a member's water service. Installation and maintenance costs for backflow prevention valves are the responsibility of the member.

2.5. Continuity of Service

The Association will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extension, or for other necessary work. Efforts will be made to notify members who may be affected by such interruptions, but the Association will not accept responsibility for losses, which might occur due to such necessary interruptions of service or shortage of water supply.

2.6 Line Damage on a Member's Property

CWWUA is responsible for the care, maintenance, and repair of the water system up to the water meter installation point on a member's property. CWWUA members are responsible for the care, maintenance, and repair of their individual water lines on their side of the meter.

If a line break occurs on a CWWUA member's property resulting in loss of water volume in the storage tank, loss of pressure in the water system, damage to pumping facilities or any other damage, the board of directors, in its sole and sound discretion, may assess a penalty of up to \$1,000 on the CWWUA member for each event, with written notice to the member sent by certified U.S. mail, return receipt requested. [revised March 10, 2018]

3. METER/METERING FACILITIES

3.1. Metering of Water Service

Water service will be metered to each individual dwelling or place of business. Several dwellings shall not be connected to one meter. Meter facilities shall only be installed by a contractor approved by the Association.

3.2. Metering Facilities/Tampering

Metering facilities shall only be installed by an appropriately licensed contractor retained or hired by the Association. Individuals, including property owners or their contractors, are not authorized to add service lines to the water system.

Installation of a new service connection from the water system's main line to the meter serving a property shall be paid for by the member, including the meter. The Association shall obtain an estimate for the cost of the installation from its licensed contractor and shall convey that estimate to the member. Only the Association's licensed contractor shall be authorized to perform the installation, unless the Association's Board of Directors determines otherwise. The Association shall authorize its licensed contractor to proceed with the installation as soon as he or she is able upon the member providing a cashier's check or money order in the amount of the estimate, payable to the Association, to be held by the Association until the work is completed. The member shall be responsible for paying any additional costs incurred by the Association's contractor that result from circumstances unforeseen circumstances at the time that the estimate was prepared. The licensed contractor shall install lines, fittings, connections, a meter and all other devices and



materials that meet or exceed the applicable Codes and regulations. All such lines, fittings, connections, meters, other devices and materials from the main line to the meter shall be the property of the Association.

Tampering with meter facilities, which are Association property, is a violation of these Rules and Regulations and may result in the assessment of fees, costs or penalties, or in termination of water service, in the sound discretion of the Association's Board of Directors. [Revised, March 12, 2016]

3.3. Location of Metering Facilities

Metering facilities shall be located near the main line or the member's property line. In special cases where this is not practical, the location shall be agreed upon jointly by the Board of Directors and the member. Should the location be within the member's property, he/she shall grant the Association an easement of right-of-way and the right of ingress and egress to said property for the purposes of servicing or removing the meter facilities or reading the meter.

3.4. Meter Accuracy

Service meters, where errors do not exceed three (3%) percent fast or slow, shall be considered as being within the allowable limits of accuracy for billing purposes.

3.5. Meter Testing

Meter testing requested by members will be performed without cost to the member, if the meter is found to be off in excess of three (3%) percent. If the meter error is found to be less than three percent (3% +/-), the member for whom the required testing was made will be charged for the cost of removing and replacing the meter and conducting the test.

3.6. Meter Reading

At the time the Association decides meter reading is in the best interest of the members meters will be read. If a meter cannot be read, the association will bill the member for the average water used during the prior three months until such time as adjustments can be made for actual water used. During a period when meters are not read the CWWUA will use a flat rate billing system. (See Section 4 and the Fee and Tariff Schedule for more information.) [revised March 10, 2019]

4. BILLING AND PAYMENT FOR WATER SERVICE

4.1. Definitions

For Flat Rate Billing:

Due date is the 1st of each month for the current month (i.e. due date is 1 June for usage in June).

Overdue date is the end of business on the 10th of each month at 6:00 p.m.

Post marked date means the date assigned by Post Office.



Delinquency date is sixty (60) days after the due date.

4.2. Billing of Water Service

All Association members are subject to at least the minimum water charges as soon as water service is available, as defined in Section 2.1. The Association shall bill the membership (monthly) for water service at the rates set forth in the approved Fee and Tariff Schedule.

All water metered as used by the member shall be subject to the rate schedule shown in the Fee and Tariff Schedule, including any water leaked from a member's interior or exterior water line.

4.3. Payment of Water Service

Bills for water service are due and payable at the location indicated on the bill or at the location determined by the Board of Directors. The bill is due on the 1st of the month and becomes overdue at close of business on the 10th of the month. Payments received via mail must be post-marked by the 10th of the month following the month in which the bill was generated to avoid overdue penalties.

4.4. Overdue Accounts

Overdue amounts are assessed a penalty as shown in the Fee and Tariff Schedule. Failure to pay for water service will result penalties as outlined in the Fee and Tariff Schedule (See Para. 4.7, below).

4.5. Delinquent Accounts/Notification and Disconnection of Service

Should a current water user become delinquent, the delinquency will result in the water being shut off from the customer's property. Delinquency occurs sixty (60) days after billing date. Delinquent notice is outlined in the generated bill. No further notice will be provided.

Payments on the account which do not rectify in full the delinquency, will not be sufficient to avoid water being shut off unless arrangements for a payment plan have been approved in writing by the Board of Directors at the request of the member prior to water being shut off. The Board of Directors has discretion regarding whether to agree to a payment plan.

4.6. Negotiating Monthly Payment Schedule

To avoid disconnection of services, the Board and a current account holder and/or member may negotiate a monthly payment schedule for the delinquent amount. Provided that at the time of the agreement, the current account holder and/or member; shall pay, as initial deposit fifty (50%) percent of the overdue amount.

If services are disconnected, the Board of Directors and the current account holder and/or member may still negotiate a monthly payment schedule for the delinquent amount. Services will be reinstated provided that the current account holder and/or member pays the connection fee and disconnection fee and fifty (50%) percent of the overdue amount.

If a payment by check for disconnection or delinquency is returned for insufficient funds, then the balance due, returned check fee and any other applicable fees shall be due in cash.



4.7. Reconnection of Water Service

Any water service which has been disconnected due to a delinquent account, or for any other reasons, shall not be reconnected until the account has been paid in full to rectify the delinquency, and the applicable disconnection/reconnection fees are paid in full. Subsequent delinquent incidents will result in an increase delinquent fee and will require a deposit.

The disconnection fee is applied after the delinquency date has occurred and the disconnection list is generated, which is sixty (60) days after billing date. The disconnection fee is due whether services have or have not been physically terminated through closing, locking or pulling of water meter.

4.8. Extreme Delinquency

If a member is delinquent for 12 months after disconnection of services, the amount due shall be considered uncollectible and the membership in default. Any amount due will be reported to a collection agency and/or a lien will be placed on the property. After that date, a request for reconnection shall be treated as a new application and will be subject to all fees as a new connection in addition to payment of all overdue fees.

4.9. Water to the Seriously Ill

The Association will not terminate water service to any residence where a seriously ill person resides provided that:

(i) A letter from a practitioner of the healing arts stating that discontinuance of service will endanger that person's life or health is filed with the Association and such letter is updated and filed with the Association every ninety (90) days thereafter and;

(ii) An Affidavit in a form approved by the Association is filed with the Association by the member/customer stating that he/she is without income or property sufficient to pay water charges and no one in the residence has sufficient income or property to do so and said Affidavit is updated and filed with the Association every ninety (90) days thereafter.

The Association will not terminate service even if the member/customer fails to comply with 4.9(i) and 4.9(ii). The Association will, however, use any and all legal methods to obtain water charges due the Association, including but not limited to termination of water service; placement of lien on property; and/or use of a collection agency.

5. EXPANSION OF THE SERVICE AREA

5.1. Expansion/Change of Service Area

The service area of the Association may only be changed by a vote of the Board of Directors. Any person or entity that wishes to expand the service area of the Association must present the Board of Directors with a 40-year plan for the area to be served. Plans for any expansion of the service area must be stamped by a New Mexico Registered Engineer. If accepted by the Board of Directors, the applicant(s) must provide the Association with water rights sufficient to supply all of the new expansion area. Any transfer of water rights to the Association must have prior approval of the New Mexico Office of the State Engineer. Transfer of the water rights must occur prior to construction of any expansion.



5.2. Extension of Water Mains

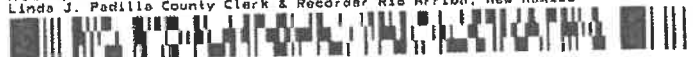
Water mains will not be extended beyond the service area defined by the Association without written approval of the Board of Directors. Service lines laid beyond the Association's existing water system will be installed to the association's specifications and paid for by the individual/entity applying for the service expansion. Any extension of Association water lines on private property must have easements filed with the Association and the County.

5.3. Extension of Water Mains – Other

The Board of Directors may enter into special service contracts in cases where the applicant has unusual service requirements. However, in no case will the Association enter into such a contract before obtaining approval from any funding agency with which the Association has indebtedness. In all cases, water rights must be transferred (approved by the New Mexico Office of the State Engineer) to the Association prior to any construction.

Approved by the Board of Directors:

DATE: March 10, 2019



FEE AND TARIFF SCHEDULE

Effective Date: April 27, 2019

Water Connection fee (Residential):	\$2,500
Water Connection fee (Commercial):	To be determined by BOD, as needed
Water Meter and Installation *	Meter will be purchased by CWWUA and rebilled at cost. Cost of installation to be determined by contractor and paid directly to contractor
Disconnection fee:	\$50.00
Reconnection fee:	\$50.00
Service Deactivation fee:	\$50.00
Service Activation fee:	\$50.00
Water Facility Tampering Fee:	\$500.00 minimum up to \$1,000.00 maximum
Insufficient Funds (Bounced Check):	\$35.00
Turn on or Turn off water service:	up to \$20.00 if done by CWWUA; cost if done by water operator
Delinquent Accounts:	<p>Any amount due is delinquent sixty (60) days after date of bill. A 10% annual finance charge on the unpaid balance will be added to the monthly invoice for delinquent accounts.</p> <p>The Association can disconnect water service for delinquency.</p> <p>Disconnected water service will be reconnected upon payment of the delinquent amount and the reconnection fee.</p> <p>3 Insufficient Funds (Bounced Checks) transactions by a member or a membership will constitute a requirement for cash payment towards all association business and transactions.</p>



** As stated in the Rules and Regulations, Section 2.2, the contractor must be approved by the CWWUA BOD prior to beginning the installation.

WATER RATE SCHEDULE

Residential Customers:

\$65.00	Monthly Flat Rate Charge per parcel
\$20.00	Minimum Charge -- No Water Usage per parcel

*Taxes are not included but will be assessed to total sales. Current New Mexico Gross Receipts Tax applicable to the Association rate fees.



I, Richard A Casford, President of the Chama West Water Users Association, affirm that the Chama West Water Users Association Board of Directors accepted the attached Amended Rules and Regulations of the Chama West Water Users Association on March 10, 2019.

Richard A Casford
Richard A. Casford

NEW MEXICO NOTARY ACKNOWLEDGMENT

THE STATE OF NEW MEXICO
COUNTY OF RIO ARRIBA

This instrument was acknowledged before me on Jun 21, 2019 by Richard A Casford, President, Chama West Water Users Association.

Anna M Pobar
Signature of notarial officer

Print Anna M Pobar

My commission expires: May 18, 2023

B: 542 P: 2794 Doc Id: 2019-02794 Chanda
06/21/2019 10:59 AM
Receipt #: 49016 Page 11 of 11
Linda J. Padilla County Clerk & Recorder Rio Arriba, New Mexico

