

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU), is made and entered into as of July 12, 2025,

BETWEEN: **SUGARLOAF MOUNTAIN OWNERS' ASSOCIATION, INC (SMOA)** (the "**COMPANY**"), a limited liability corporation organized and existing under the laws of the state of New Mexico, with its corporate office located at:

113 Highlands Trail – Datil, NM 87821 (PO Box 707 – Datil, NM 87821)

AND: **FREDDIE "WOLF" FUENTES (OWNER)**, an individual with his main address located at:

PO Box 391 – Datil, NM 87821

1. PURPOSE AND SCOPE

The purpose of this MOU is to clearly identify the roles and responsibilities of each party as they relate to the relinquishment of a portion of certain real property described as Metate Lane, located within the Sugarloaf Mountain subdivision, in Datil, New Mexico, for the purpose of erecting a "locked gate" at the corners of contiguous lots 140 and 144, which are currently owned by the **OWNER**.

2. BACKGROUND

OWNER made a request to the SMOA Board of Directors, via US Mail, dated September 15, 2024, requesting a variance to place a locked gate spanning Metate Lane at the corners of contiguous lots 140 and 144 (see attached). The requested variance would prevent access to a portion of Metate Lane, which is owned by **COMPANY** for the use of its membership for egress/ingress to a group of lots in the Sugarloaf Mountain subdivision.

The requested variance was denied by the **COMPANY'S** Board on October 26, 2024 (see attached minutes), so the Board could research the legality of granting the requested variance. Alternative solutions to **OWNER's** concerns were discussed and approved.

Research into the question, including consultation with the Catron County Clerk's office, concluded that the proper avenue to allow placement of a locked gate on Metate Lane was governed by NM Stat § 67-2-6 (vacation of public roads). **OWNER** was notified of the determination via US Mail (7020 2450 0000 6239 6989) (attached) and that the decision to deny the requested variance was made final.

OWNER attempted to comply with the process set forth in NM Stat § 67-2-6 and contacted the Catron County Board of Commissioners to have the matter placed on the agenda for a subsequent meeting of the commissioners. **OWNER** relayed to the **COMPANY'S** Board

that he was informed by the commissioner's office that the county commissioners are not involved in that process and he was referred back to the SMOA Board for further consideration.

OWNER appeared at the **COMPANY'S** Board meeting on April 17, 2025 and informed the Board of his interaction with the Catron County Board of Commissioners. His concerns were addressed in Executive Session. The Board renewed its position that it lacks authority to grant the request and reminded **OWNER** that it relied on state law to justify the denial. However, given that **OWNER** made a good faith attempt to comply with the process set forth in by NM Stat § 67-2-6 (vacation of public roads) and that the Board recognized **OWNER** may have a legal process to place the locked gate, a compromise was suggested.

A motion was made that the Board would not oppose the **OWNER's** request to place a locked gate spanning Metate Lane on a temporary basis, but, in the event that there is a complaint by another SMOA property owner, **OWNER** would need to remove the gate to which **OWNER** verbally agreed Motion seconded and was passed unanimously.

In discussion following the Executive Session, it was suggested that the agreement be memorialized in a Memorandum of Understanding (MOU).

In an effort to clarify the proper process, the Board again contacted the Catron County Clerk and was given a conflicting opinion on the process. The Clerk's office advised **SMOA** that a "quit claim" to the subject property was the proper process and provided an example of a quit claim deed that had been utilized by another Home Owner's Association for a similar request.

Given that a grant of the request to place a locked gate on a community owned road, would effectively result in the denial of use by other **SMOA** members, the Board resolved to present the question to the membership, for consideration at the next annual meeting.

3. SMOA RESPONSIBILITIES UNDER THIS MOU

SMOA will present the question to the membership at the annual meeting scheduled for September 6, 2025. The question will be presented as such:

Should OWNER be allowed to erect a locked gate spanning Metate Lane at the corners of contiguous lots 140 and 144 (see attached).

If so, should SMOA grant a "quit claim" deed for certain real property, described as Metate Lane, to OWNER, for placement of a locked gate, resulting in the denial of use of that portion of Metate Lane by other SMOA members.

4. OWNER'S RESPONSIBILITIES UNDER THIS MOU

OWNER will provide **COMPANY** with the petition he purported to circulate amongst the membership which allegedly shows agreement to place a locked gate on Metate Lane.

OWNER will be responsible for any/all costs associated with construction/placement of the locked gate, any required property surveys, any/all recording fees, any legal fees incurred by **SMOA** and any/all unknown costs associated with the undertaking.

OWNER agrees that if the membership denies the motion, he will remove the locked gate at his expense and pursue the statutory scheme codified at NM Stat § 67-2-6 and/or other applicable statute, regulation and ordinance.

5. UNDERSTANDINGS

COMPANY and **OWNER** agree that the Board does not have the authority to grant a request to convey Association property without the consent of the general membership, but that there may be legal processes to accomplish the goal.

COMPANY and **OWNER** agree to cooperate fully to attempt to accomplish the end goal of placing a locked gate at the corners of contiguous lots 140 and 144.

COMPANY and **OWNER** agree that in the event that either lot 140 or 144 are no longer owned contiguously by **OWNER**, he will remove the locked gate at his expense.

6. DURATION

This MOU shall become effective upon signature by the authorized officials and will remain in effect until modified or terminated by any one of the Parties by mutual consent. This MOU shall end after the recording of a quit claim deed or the successful vacation of the subject road or the abandonment of the project by the **OWNER**.

7. ARBITRATION

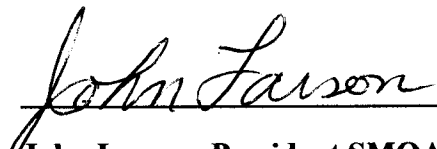
Any dispute arising with regard to any aspect of this Agreement shall be settled through mutual consultations and agreements by the parties to the Agreement.

8. EFFECTIVE DATE AND SIGNATURES

This **MOU** shall be effective upon the signature of both Parties' authorized officials.

Parties indicate agreement with the terms of this MOU by their signatures.

Signatures and dates



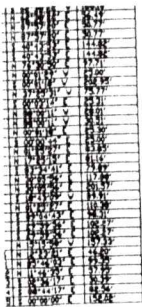
John Larson, President SMOA

7-12-2025

Date

Freddie "Wolf" Fuentes

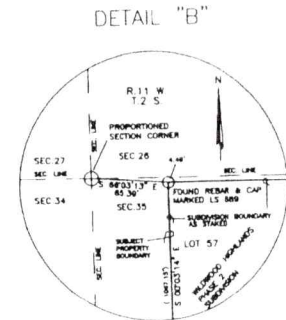
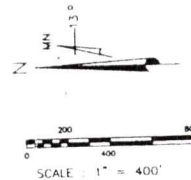
Date



(SUGARLOAF MOUNTAIN SUBDIVISION - PHASE 3)
SHEET 4 OF 5



(SUGARLOAF MOUNTAIN SUBDIVISION - PHASE 1)
SHEET 2 OF 5



NOTE: FENCELINE IS PARALLEL TO AND + 2' NORTHWEST OF BOUNDARY

MC MASTER

SUGARLOAF MOUNTAIN HOMEOWNERS ASSOCIATION, INC

BOARD OF DIRECTORS MEETING MINUTES OCTOBER 26, 2024

PRESENT: John Larson, David Cravens, David Sarricks, Patricia Grymala and Aileen Law.

Meeting called to order at 10:03

John Larson named president. Aileen Law 2nd. Approved
David Cravens named vice president. John Larson 2nd. Approved
David Sarricks named treasurer. David Cravens 2nd. Approved
Patricia Grymala named secretary.
Aileen Law member at large.

David Cravens will be in charge of roads.
John Larson made a motion to pay David Cravens for maintenance of roads.
David Sarricks 2nd. Approved

OLD BUSINESS:

Annual minutes read by David Sarricks. John Larson 2nd. Approved.

Minutes from July 6, 2024 read by David Sarricks.

Mailboxes were discussed. An easement from Walraven was discussed. John Larson made a motion Patricia Grymala look into the costs of maintenance of said mailboxes.

Speeding in the subdivision was discussed. The worst offenders it was decided is the delivery services. Nothing could be done, no action required.

The trees near the roads were discussed. There is a need to keep the areas near the roads free of hanging branches and dead trees. David Cravens volunteered to find any trees needing trimming or removal. He would gather the people to help do the work.

David Sarricks made a motion to accept the minutes from the July meeting. Aileen Law 2nd.

TREASURERS REPORT

David Sarricks read a prtial report of the future budget.

CDs and a possible savings account for the subdivision was discussed. John Larson made a motion for David Sarricks to look into CDs/savings accounts. David Cravens 2nd. Approved.

It was discussed whether SMOA should buy their own equipment for maintaining the roads. Nothing came of it.

John Larson made a motion to accept future budget (attached). David Cravens 2nd. Approved.

John Larson made a motion to accept treasurers report and proposed budget for 2025.

NEW BUSINESS:

The well committee meeeting was discussed. The minutes were read by Aileen Law.

A new frost-free hydrant is needed to replace the old one. A possible shut off valve and meter is needed. There is a proposed \$500.00 allocation for well maintenance, meter added, frost-free valve replacement, solar heat tape added and trail cams to see who is using the well. Signs were also proposed to let users know they are being filmed. John Larson made a motion to improve the well. David Cravens 2nd. Approved.

It was discussed that the realtors are giving the wrong information to possible new owners of subdivision property regarding the well. It was decided that information should be sent to any realtors workinng the area and should be given all information needed to inform future residents with correct information. John Larson made a motion to inform realtors. David Cravens 2nd. Approved.

A request was received from Wolfe Fuentes. He has requested that he be able to

put up a gate on a portion of Metate Lane leading up to his house. He says he gets a lot of people driving up the road then needing to turn around. It was proposed that rather than a gate, signs could be put up at the junction of Northern and Metate that would read "Dead End" or "Private Property". John Larson made a motion for signs to be purchased for Wolfe Fuentes. Approved. It was also discussed whether he could purchase the portion of the road he wants to add a gate to from the subdivision.

There was a request from Linda Loewen for a variance for 6 goats. She says she is lactose intolerant. John Larson made a motion to deny request. Approved.

Online payments for residents to pay their fees online was discussed. David Sarricks will be looking into this. There is a fee involved for the payee. John Larson made a motion for David Sarricks to look into this matter. David Cravens 2nd. Approved.

The road lease due in 2033 was discussed. Adding extra money to the emergency fund for the future lease payment was discussed. What constitutes an emergency was discussed. There was discussion of where to put the extra money for the future payments. The possible purchase of the frontage road was also discussed. John Larson made a motion David Sarricks will look into the future lease and possible purchase of the frontage road. David Cravens 2nd. Approved.

It was pointed out that the board needs more stamps for mailing.

John Larson made a motion to adjourn the meeting. David Cravens 2nd.
Adjourned at 12:50 pm.

Next meeting is January 11, 2025 at 10:00 am at John Larson's place.

Sugarloaf Mountain Owners' Association
PO Box 707
Datil, NM 87821

December 7, 2024

USPS Certified Mail - 7020 2450 0000 6239 6989

Freddie Fuentes
PO Box 391
Datil, NM 87821

Re: Gate variance request

Dear Mr. Fuentes:

The Board reviewed your request for a variance to place a locked gate, spanning Metate Lane, at the eastern corners of lots #140 and #144. As you are aware, the Board declined to grant the request and offered alternative solutions to limiting traffic.

The proposed gate would effectively close off a community road, denying use of the road to all other members of the association, their invitees or licensees, and others (including their heirs, successors and assigns). Although the Association holds title to the roads rights-of-ways, its ownership is subject to legal rights held by others. The Association does not have the power to grant your request for a variance. We substantiated our denial by conducting subsequent research with the Catron County Assessor's Office, and confirmed that granting your request would have been improper.

Although it is not the Board's obligation to do so, as a courtesy to you, we have provided some basic information regarding the formal procedure for potentially placing a gate on Metate Lane. Please keep in mind this is not legal advice.

The process involves obtaining approval from the Catron County Board of Commissioners for a "vacation of public roads" pursuant to NM Stat § 67-2-6. Per NM Stat § 47-6-7, the board of commissioners will determine if "the vacation will adversely affect the interests of persons on contiguous land or persons within the subdivision being vacated." There may be other laws that you need to be aware of.

We suggest you research the process in detail, so you're prepared to present the relevant information that the Board of Commissioners requires. There may be additional actions required, such as making a request to be placed on the agenda of a Catron County Board of County Commissioners' meeting, commissioning a survey, etc. You may be able to navigate the process on your own or you may consider retaining counsel, to assist with your endeavor.

In short, the Board's denial was proper, but you do have a means to your end goal - placing a gate as proposed. You simply must follow the proper procedure and satisfy the proper body in order to vacate the public road and place the gate.

We wish you the best in your efforts.

Sincerely,

John Larson, President SMOA
Enclosures (copies of statutes)

QUITCLAIM DEED

TEE PEE RANCH LOA, INC, a nonprofit organization, for consideration received, grants, conveys, releases and quitclaims to JEFFREY P. KEREKES and PEI X. YE, husband and wife, as joint tenants with rights of survivorship, whose address is 54 Spring Road, Datil, New Mexico 87821, the real property located in Catron County, New Mexico, described as follows:

The uncompleted road between Lots 234 and 240, Phase III, Tee Pee Ranch Subdivision, per Map recorded in Slide B-031 of Maps in the Office of the County Recorder of Catron County, New Mexico. Starting on the West side of the uncompleted road at the Southeast corner to the Northeast corner of Lot 234 and at the East side of the road starting at the Southwest corner to the Northwest corner of Lot 240 terminating in, and inclusive of, a cul-de-sac abutting Lot 233 and Lot 241. See Schedule A and B for maps of the uncompleted road being conveyed.

Subject to reservations, restrictions and easements of record and to taxes for the current and subsequent years; and for the purpose of creating a private road to allow Lots 233, 234, 240, and 241 access to Comeback Way, a Tee Pee Ranch LOA subdivision road. If lots 233, 234, 240 and 241 are sold **together** to one owner (or any subsequent owner), this agreement goes with the properties to future owners, if any of lots 233, 234, 240 and 241 are sold individually, then the road reverts back to the LOA so that there are no land locked parcels.

EXECUTED as of this day, 8-03/2020, 2020.

Brett Anderson
Brett Anderson, President, Tee Pee Ranch LOA

David Huckstep 8/3/2020
David Huckstep, Vice President, Tee Pee Ranch LOA

Dianne Florian 8/03/2020
Dianne Florian, Treasurer, Tee Pee Ranch LOA

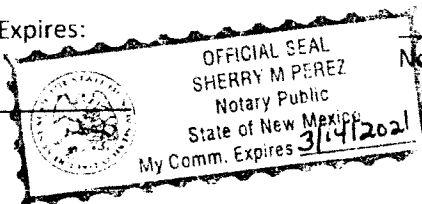
ACKNOWLEDGMENT

STATE OF NEW MEXICO)
)ss.
COUNTY OF CATRON)

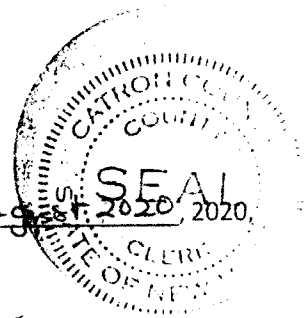
The foregoing instrument was acknowledged before me on this day 3rd August 2020, 2020, by Brett Anderson, David Huckstep and Dianne Florian.

My Commission Expires:

3/14/2021



Sherry Perez
Notary Public



CATRON COUNTY - NM
M. KEITH RIDDLE
202000729
Book 39 Page 575
1 of 3
8/3/20 10:33:32 AM
BY CLERK