BY-LAWS OF CLOUD COUNTRY CLUB, INC. EFFECTIVE 10-7-95

ARTICLE 1
NAME AND PRINCIPAL OFFICE

Section 1: NAME: The name of the corporation is CLOUD COUNTRY CLUB, INC., (the "corporation"), a non-profit corporation, organized in accordance with the laws of the State of New Mexico.

Section 2: PRINCIPAL OFFICE: The principal office of the corporation shall be located at the Little Club House, Cloud Country Estates, County of Otero, and State of New Mexico, but meeting of members and directors may be held at such places within or without the State of New Mexico as may be designated by the Board of Directors. The location of the principal office of the corporation may be changed at any time by the Board of Directors.

Section 3: REGISTERED OFFICE: The registered office of the corporation required by the New Mexico Non-Profit Corporation Act to be maintained in the State of New Mexico shall be at 38 Cloud Country Drive, Cloud Country Estates - MAILING address: POST OFFICE BOX 808, Alamogordo, NM 88311-0808, which location may be changed at any time by the Board of Directors.

ARTICLE II
OBJECTIVES

This shall be a non-stock, non-profit membership corporation with the following objectives:

A. To operate a country club for the pleasure and recreation of its members, and in connection therewith, to provide a golf course, tennis courts, swimming pool, skiing facilities, fishing pond and any other means of recreation which its directors may consider advisable for the members.

B. Generally to provide for the mutual assistance, enjoyment and entertainment of the corporation members.

C. To establish and collect all dues and fees from the members necessary to accomplish the purposes of the corporation.

D. This corporation shall be a non-profit corporation. No part of the net earnings will inure to the benefit of any private member, director or officer.

ARTICLE III
MEMBERSHIP

Section 1: COMPOSITION: The membership of the corporation shall be composed of one class of members. However, there shall be two types of members, regular and social, which have differing dues and privileges.

Section 2: MEMBERS: A member shall be an individual, firm or company who is an owner of one or more lots located in Cloud Country Estates Subdivision Units 1 and 2, Cloud Country West Units 1, 2 and 3, Waterfall, Silver Springs, Cloud Country Park, Cloud Country North, an owner of Cloud 9 Townhouses located in Cloudcroft, N.M., a Lessee in the Cloudcroft Lodge, all located in Otero Country, New Mexico, and such additional members as may be approved by the Board of Directors. Such additional members not owning property may be social members only. The Board of Directors is limited to approval of one hundred (100) such memberships.

Section 3: VOTING: Each member who owns one or more lots or leasehold interest, regardless of whether regular or social type, is entitled to a membership herein, and each member shall be entitled to one (1) vote on each matter submitted to a vote of the membership, regardless of the number of person, firms or entities owning the said lot, or leasehold interest, or the number of lots or leasehold interest owned by said member.

ARTICLE IV
MEETINGS OF THE MEMBERSHIP

Section 1: ANNUAL MEETING: The annual meeting of the corporation shall be held on the first Saturday in the month of October in each year, at the hour of 10:00 o'clock, a.m., for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Section 2: SPECIAL MEETINGS: Special meetings of the membership, for any purpose or purposes, may be called by the President or by the Board of Directors, and shall be called by the President at the request of the holders of not less than one-twentieth (1/20) of all the outstanding votes of the corporation entitled to vote at the meeting.

Section 3: PLACE OF MEETING: The Board of Directors may designate any place, either within or without the State of New Mexico, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors.

Section 4: NOTICE OF MEETING: Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail to each member entitled to vote at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Section 5: QUORUM: Members holding one-twentieth (1/20th) of the votes entitled to be cast on the matters to be voted upon represented in person, by absentee ballot, or by proxy shall constitute a quorum at a meeting of the members. If less than a quorum of members are represented at a meeting, a majority of the members present may adjourn the meeting from time to time without further notice. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally notified. The members present at a duly organized meeting may continue to transact business until adjournment, not withstanding the withdrawal of enough members to leave less than a quorum.

Section 6: ABSENTEE BALLOT: At all meetings of members, a member may vote by absentee ballot executed in writing by the member or his duly authorized attorney-in-fact. Such ballot shall be filed with the secretary of the corporation before or at the time of the meeting.

Section 7: CUMULATIVE VOTING: There shall be no cumulative voting. However, a member may vote for less than the number of directors to be elected.

Section 8: ACTION BY MEMBERS: Any action by the membership must be approved by a majority vote. A majority vote shall consist of a majority of those present and/or votihg at a meeting at which a quorum is present.

Section 9: INFORMAL ACTION BY MEMBERS: Any action required to be taken at a meeting of the membership or any other action which may be taken at a meeting of the members, may be taken without a meeting, if a consent in writing, setting forth the actions so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 10: PROXIES: At all meetings of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of such meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

ARTICLE V
BOARD OF DIRECTORS

Section 1: GENERAL POWERS: The affairs of the corporation shall be managed by its Board of Directors and they are authorized to act in the name of the corporation. Directors need not be residents of the State of New Mexico, but must be members of the corporation in good standing.

Section 2: NUMBER, TENURE, AND QUALIFICATIONS: NUMBER - Effective 10/5/96, procedure for selection of board members will be as follows: (1) The total membership, for board selection purposes, will be determined from five groups of voters. (a) Cloud Country Estates, (b) Cloud Country West Unit one, (c) Cloud Country RV Units two and three, (d) Time Share and Condos and (e) Cloud Country North, Cloud Country Park, Waterfalls and non-property owning members. (2) An approximate total number of board members will be chosen which is more than two but less than three times the number of voting groups. (3) Each voting group will be allowed one board member without reference to size of the group. (4) Additional number of board members for each group will be determined by multiplying the approximate total number of board members, less number of members allotted by (3), above, by a fraction for each group arrived at by dividing the number of qualified voters in the group by the number of qualified voters in Cloud Country Club as a whole. (5) Fractional numbers will be rounded to the nearest whole number (less than 0.5 being 0 and 0.5 for more being 1) (6) Qualified voters will vote for board members nominated from only one group in which they are qualified to vote. TENURE - Each Director shall be elected at the annual general membership meeting for a term of two years and will serve until his successor shall have been elected and qualified. Areas with more than one director will elect directors for staggered terms. QUALIFICATIONS - Board Members must be members of Cloud Country Club and qualified as voters. Board Members shall not be limited in numbers of terms in office. Not more than one Board Member shall be elected on the basis of qualifyinf for one vote as specified in ARTICLE III, Section 3.

Section 3: REGULAR MEETINGS: A regular meeting of the Bioard of Directors shall be held without any other notice than this By-Law immediately after and at the same place as the annual meeting of members. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings.

Section 4: SPECIAL MEETINGS: Special meetings of the Board of Directors may be called by, or at the request of, the President or any two (2) Directors, and shall be held at any place, either within or without the State of New Mexico as determined by the Board of Directors.

Section 5: NOTICE: Notice of any special meeting of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered personally or mailed to each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to said Director at his address as it appears on books of the corporation with postage thereon prepaid. Any Director may waive notice of any meeting.

Section 6: QUORUM: A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; but if less than a majority of the Directors is present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 7: MANNER OF ACTING: The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the corporation.

Section 8: VACANCIES: Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, although less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of the membership called for that purpose.

Section 9: COMPENSATION: No compensation shall be paid to the Directors for their services, but Directors may be reimbursed for reasonable expenses actually incurred.

Section 10: ACTION BY BOARD OF DIRECTORS WITHOUT A MEETING: Any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if all of the Directors shall indicate in writing their consent to the action taken, which consent shall become a part of the books and records of the corporation.

Section 11: NOMINATION: Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the corporation. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

ARTICLE VI
OFFICERS

Section 1: GENERAL: The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the office of President.

Section 2: ELECTION AND TERM OF OFFICE: The officers of the corporation shall be elected by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor has been duly elected and qualified. Officers shall serve staggered terms of two years each. The years shall coincide with their election to the board.

Section 3: REMOVAL: Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of any officer or agent shall not in itself create such contract rights.

Section 4: VACANCIES: A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5: DUTIES AND POWERS: Several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Board of Directors. In the absence of such specification, each officer shall have the power and authority and shall perform and discharge the duties of officers of the same title serving non-profit corporations having the same or similar general proposes an objectives as this corporation.

Section 6: COMPENSATION: The compensation of the officers shall be fixed from time to time by the Board of Directors, but no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the Corporation.

ARTICLE VII
CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1: CONTACTS: The Board of Directors may authorize any officer to officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2: LOANS: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3: CHECKS, DRAFTS, ETC: All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4: DEPOSITS: All funds of the corporation, not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or to other depositories as the Board of Directors may select.

Section 5: GIFTS: The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for any purpose of the corporation.

ARTICLE VIII
TYPES OF MEMBERSHIPS, DUES AND DISCIPLINE

Section 1: TYPES OF MEMBERSHIPS: There shall be two types of memberships: regular and social. Regular memberships shall entitle a member (and his immediate family regularly residing with him) to use all the facilities and properties contracted for by the corporation including free green fees on the golf course and free tickets for the ski lift facilities at Snow Canyon as long as such facilities are contracted for by the corporation. Social memberships shall entitle a member (and his immediate family regularly residing with him) to all of the privileges of a regular member except that a social member will be required to pay fees for the use of the golf course and ski lift facilities. A social member may change his membership from social to regular by notifying the management of the corporation and any further paying the increased monthly charge, and by paying the corporation a fee of $25.00 for such membership change. A regular member (except leasehold interest holders) may change his membership to a social member by notifying the management of the corporation as set forth in the proceeding sentence, and by paying the corporation fee of $50.00 for such membership change. The social or regular membership held by any member shall not be transferred, pledged, hypothecated or alienated in any way except upon the sale of such members's lot or leasehold interest and then only to the new purchaser. Any attempt to make a prohibited transfer shall be void and shall not entitle the transferee to any use of the facilities provided by the corporation. The sale of any lot or leasehold interest shall automatically terminate the membership of a previous owner and vest such membership in the new owner. A fee of $25.00 will be charged by the corporation to show transfer of the membership on the records of the corporation.

Section 2: DUES: Regular and social members shall pay dues to the corporation in an amount as set by the Board of Directors. If a regular or social member elects to pay dues monthly, such dues shall be payable on or before the tenth day of each month. Dues of a new member shall be prorated from the first day of the following month in which such new member is elected to membership. Each member must pay in a minimum of six (6) months dues. The Board of Directors may alter the due dates of such dues at any time for reasonable cause.

Section 3: INCREASES IN DUES: The Board of Directors shall determine from time to time increases in the amount of dues payable to the corporation by its members and shall give appropriate notice thereof. However, the Directors shall not, without a vote of the membership, increase dues at a rate greater than the rate of increase in the cost of living. The base month to be used for this purpose is the month of December, 1974, and the index to be used is the "All Items" column in the table entitled "Consumer Price Index--U.S. Average All Items in Commodity Groups" published monthly in the Monthly Labor Review of the U.S. Bureau of Labor Statistics of the United States Department of Labor. In the event the Consumer Price Index as stated above is discontinued, the Board may use comparable statistics on the purchasing power of the consumer dollar published by a responsible financial periodical of recognized authority. It is understood that the dues shall not be in excess of the dues charged by comparable country clubs in the area and the cost of living increases limitation imposed herein is for the purpose of preventing the dues from becoming excessive. An increase in dues requiring a vote of the membership shall be approved upon receiving the affirmative vote of a majority of the members at a duly constituted meeting.

Notwithstanding the preceding paragraph, in order to allow for the payment of a fair portion of the assessment by all members of the Club, the Board of Directors be and the same are hereby authorized to increase dues to those members, whether social or regular members, who have not paid the assessment, by $15.00 per month for a period of five (5) years (60 months) plus their normaldues.(Adopted10-29-83)

Section 4: LIEN RIGHTS: The Board of Directors may direct that unpaid dues may be enforced by lien against property belonging to the members as provided in the restrictive covenants of the subdivision. Foreclosure proceedings may be commenced within one year of the filing of a lien.

Section 5: LOSS OF PRIVILEGES: Any member whose dues are unpaid as of sixty (60) days prior to the annual meeting shall not be entitled to vote at the said annual meeting, and his membership shall be excluded for the purpose of calculating a quorum for said meeting. In addition, any member whose dues and assessments are unpaid after their due date, shall not be entitled to the use of any of the common facilities, recreational areas and other similar properties owned by or held for the benefit of members of the corporation.

Section 6: ASSESSMENTS: Members shall pay all assessments imposed by virtue of this section and such assessments shall be considered dues for all purposes of these By-Laws, including the filing of liens and the loss of privileges for non-payment thereof. Assessments may be imposed only by the unanimous and absolute vote of all members of the Board of Directors or by a majority vote at the next succeeding annual meeting following notice to the members of such proposed assessment.

ARTICLE IX
MISCELLANEOUS

Section 1: CERTIFICATES: There shall be no certificates issued by the corporation to the members thereof , but such membership shall be determined by the equitable title to the lot or leasehold interest as determined by the records of the County Clerk, Otero County, New Mexico.

Section 2: DIVIDENDS PROHIBITED: No dividends shall be paid and no part of the income or profit of the corporation shall be distributed to its members, directors, or officers.

Section 3: BOOKS AND RECORDS: The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors and shall be kept at the office of the Secretary of the corporation a record giving the names and the addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

Section 4: FISCAL YEAR: The fiscal year of the corporation shall be determined by the Board of Directors.

Section 5: SEAL: The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "Corporate Seal."

Section 6: WAIVER OF NOTICE: Whenever any notice is required to be given to any member or director under the provisions of these By-Laws, a waiver thereof in writing, signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 7: RULES AND REGULATIONS: The Board of Directors, or a committee appointed by the Board of Directors may establish rules and regulations for the operation, management and control of the common facilities and recreational areas of the members. The Board shall inform the members of such rules and regulations and each member of the corporation, his family and guest, as well as subsequent owners or occupants of any property, shall be bound by and abide by such rules and regulations.

ARTICLE X
AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the Board of Directors at any regular or special meeting of the Board of Directors and approved by the membership at the next annual meeting of the corporation.

ARTICLE XI
DISTRIBUTION OF ASSETS ON DISSOLUTION OR FINAL LIQUIDATION

In the event the corporation is ever dissolved or liquidated, the assets of the corporation shall be distributed in the following manner pursuant to Sec. 53-8-48, N.M.S.A.Y. 1978 Comp:

(a) Pay all liabilities and obligations of the corporation.

(b) Return, transfer or convey all assets held by the corporation on the condition of return upon dissolution or liquidation.

(c) All remaining assets shall be distributed to such person, non-profit societies, non-profit organizations or non-profit domestic or foreign corporations that have as an objective the operation of recreational facilities for the benefit of property owners in Otero County, New Mexico.

(d) Under no circumstances shall any assets be distributed to any member, former member, director, officer or former officer of the corporation.

STATE OF NEW MEXICO)
)ss
COUNTY OF OTERO)

I hereby certify that the above and foregoing By-Laws of CLOUD COUNTRY CLUB, INC., a New Mexico Non-Profit Corporation, consisting of 7 pages, this page included, are the By-Laws of this corporation adopted by the general membership thereof at a consent meeting held on the 7th day of October, 1995.

Phil Williams
Phil Williams, President

Bruce G Bixler
Bruce Bixler, Secretary

Subscribed to before me by Phil Williams this the 20 day of September, 1996.

Subscribed to before me by Bruce Bixler this the 20 day of September, 1996.

Deanna G Brady
Notary Public

My commission expires: 1-12-98

STATE OF NEW MEXICO } S.S.
OTERO COUNTY }

FILED FOR RECORD IN MY OFFICE
This 24 day of September 1996
At 4:30 P M and duly recorded
in Book No. 841 Page 575-581
the records of Otero County, New Mexico
Mary D. Quintana
County Clerk, Otero County, New Mexico
By Christina Nino Deputy
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