

BYLAWS OF
SPUR LANDING HOMEOWNER'S ASSOCIATION

ARTICLE I.

Name and Location

The name of the Association is the SPUR LANDING ASSOCIATION OF HOMEOWNERS (the "Association"). The principal office of the Association shall be located at North West Real Estate, 1228 S. Claudefort N.M. Meetings of members and directors of the Association may be held at such places, within or without the State of New Mexico, as may be designated by the Board of Directors. These Bylaws are subordinate to the Articles of Incorporation to the Declaration of Covenants, Conditions and Restrictions hereafter referred to as the Corporate Charter and Declaration and shall not conflict with them.

ARTICLE II.

Definitions

A. "Association" shall mean the Spur Landing Association of Homeowners which Association shall consist of all of the owners of Lots located in the following described property:

A tract of land as shown by the Replat of Spur Landing on the Plat thereof filed March 27, 1985 in Book No. 32, pages 38-41, records of Otero County, New Mexico,

acting as a group in accordance with these Bylaws.

B. Definitions for these Bylaws shall be those appearing in Article 1 of the Declaration. If further definitions are required, they should be inserted in these Bylaws as appropriate.

C. "Restrictive Covenants" shall mean the restrictive covenants covering the property which are recorded in Book 484, at Pages 447 and 448 of the Miscellaneous Records of Otero County, State of New Mexico, as well as the restrictive covenants attached hereto and filed for record with these Bylaws.

D. "Member" shall mean those persons entitled to membership in the Association.

ARTICLE III.

Meetings of Members

A. Annual Meetings. The Association shall begin its effective existence upon the adoption of these Bylaws by seventy-five per cent (75%) of the Lot owners. The first annual meeting of the members shall be held within sixty (60) days of the recording of the Declaration and Bylaws herein with the Otero County Clerk, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 9:00 a.m., or such other date and time as may be designated by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

B. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors of the Association, or upon written request of twenty-five per cent (25%) of the members then entitled to vote.

C. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary of the Association, by mailing a copy of such notice, postage prepaid, at least fifteen days (15) before the meeting is scheduled to be held to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

D. Quorum. The presence at the meeting of members entitled to cast 50% of the then existing voting rights, including proxies, shall constitute a quorum for any action of the Association, except as otherwise provided in these Bylaws. If, however, a quorum shall not be present at any meeting, the members entitled to vote at such a meeting shall have the power to adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present or be represented.

E. Proxies. At all meetings of members, each member may vote in person or by proxy. Proxies shall be in writing and filed with the secretary. Each proxy shall be revocable and shall automatically be revoked upon conveyance by the member of his ownership in the property to which the vote is attributable.

F. Membership Action. A simple majority vote of the quorum shall be required for every act or decision done or made by the membership, each owner having one vote for every Lot owned.

ARTICLE IV.

Board of Directors

A. Number. The affairs of this Association shall be managed by a board of at least three (3) and no more than nine (9) directors who shall be members of the Association.

B. Term of Office. At the first annual meeting to replace the initial Board of Directors, the members shall elect one director for a term of one year, one director for a term of two years and remaining directors for term of three years; and at each annual meeting thereafter, the members shall elect a director for a term of three years to replace the outgoing director, the length of the terms to be adjusted accordingly if the Board consists of more than three directors.

C. Removal. Any director may be removed from the board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor may be appointed by the remaining members of the Board or elected at a special meeting of the members and shall serve for the unexpired term of his predecessor.

D. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred on behalf of the Association.

E. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V.

Nomination and Election of Directors

A. Nominations. Nominations for election of 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 Association. 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. 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. Such nominations may be made from among members only.

B. Election. Election to the Board of Directors shall be by secret written ballot. At such elections the members or their proxies may cast, in respect to each vacancy, one vote. The nominee receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI.

Meetings of Directors

A. Regular Meetings. Regular meetings of the Board of Directors shall be held semi-annually without notice, at such place, date and hour as may be fixed from time to time by resolution of the Board.

B. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each Director.

C. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a simple majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII.

Powers and Duties of the Board of Directors

A. Powers. The Board of Directors shall have power to:

1. Adopt and publish rules and regulations governing the use of any common property, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; all published rules and regulations governing the use of the common property, and any assessments or penalties or fines to be assessed for the violation of the covenants or By-laws or adopted rules and regulations shall be published and maintained in the official records of the Spur Landing Homeowner's Association record books. All such fines, penalties, or assess-

ment shall be set, collected, and disputes thereto adjudicated by the Directors of the Spur Landing Homeowner's Association;

2. Suspend the voting rights and right to use of the common area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for the infraction of published rules and regulations;

3. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provision of these Bylaws;

4. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and

5. Authorize the officers to enter into one or more management agreements with third parties in order to facilitate the efficient operation of the property. The primary purposes of such management agreements shall be to provide for the administration, management, repair and maintenance of any common property, and, additionally, to enforce the common maintenance agreement among the members of the Association. The terms of said management agreements shall be as determined by the Board of Directors.

B. Duties. It shall be the duty of the Board of Directors to:

1. Cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

2. Supervise all officers, agents and employees of the Association;

3. From time to time, and at least annually, prepare a budget for the Association, determine the amount of the common charges required to meet the common expenses of the Association and allocate and assess such common expenses against the unit owners, and levy and collect any special assessments which may be required;

4. At least thirty (30) days before due date, advise each unit owner in writing of the amount of the assessments payable by him and, if requested, furnish copies of each budget on which such

common expenses are based to all unit owners and to their mortgagees;

5. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the owner personally obligated to pay the same;

6. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. Such a certificate shall be conclusive evidence of the fact of payment.

7. Cause the common property to be maintained, or to be delegated to each individual Lot owner as hereinafter set forth or decided by the homeowner's association; and

8. Take such other action as may be required in serving the best interests of the Association. The Board shall supervise all officers, agents, and employees of the Association and see that their duties are properly performed.

9. The Board of Directors shall have the authority to procure and maintain insurance in adequate amounts for liability and hazard on all property owned by the Association.

ARTICLE VIII.

Officers and Their Duties

A. Enumeration. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create. There shall be no salary for any officer.

B. Election. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

C. Term. The officers shall hold office for one (1) year unless they shall sooner resign or be removed or otherwise become disqualified to serve.

D. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

E. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, acceptance of a resignation shall not be necessary.

F. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

G. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Article VIII.D.

H. Duties. The duties of the officers are as follows:

1. President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, lien statements, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall also recommend to the Board of Directors all committee chairman and these recommendations shall be appointed subject to the approval of the Board. He or she may serve as an ex-officio member of all committees.

2. Vice-President. The vice-president shall act in the place of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

3. Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; shall keep the seal of the Association, if any, and affix it on all papers requiring a seal; shall serve notice of meetings of the Board and the members; shall keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties required by the Board. The secretary is also responsible for insuring that all documentation necessary to be filed each year with the State Corporation Commission or the Internal Revenue Service is completed in a timely fashion and filed with the appropriate agency.

4. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and Promissory Notes of the Association; shall keep proper books of account; shall cause an annual audit of the Association books to be made at the end of each fiscal year by an auditing committee composed of three members appointed by the president of the Association who shall not be officers or directors of the Association; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meetings; and, if requested, deliver a copy of each to the members.

ARTICLE IX.

Committees

A. Appointment. The Board of Directors shall appoint such committees as it deems appropriate in determining and carrying out the purposes of the Association.

B. Duties and Authority. In designating a committee, the Board of Directors shall determine the duties of the committee and shall vest the committee with such authority as it deems appropriate.

C. Architectural Review Committee. The Board of Directors may appoint an Architectural Review Committee in accordance with the Restrictive Covenants pertaining to this subject property as the need may arise.

D. Nominating Committee. This committee shall consist of one member of the Board of Directors, and not less than two nor more than four Owners who are not directors. The terms of office shall begin upon appointment at the first regular meeting of the Board, and shall end a year later at the corresponding regular Board meeting. Consecutive terms may be served by the committee. Members shall be named by the President for ratification by the Board. Duties of the committee shall consist of determining the qualifications required for a Director, to select Owners who qualify, to obtain the agreement of the Owners selected name them as candidates for election by the Owners. The Committee shall name the number of candidates necessary to fill all vacancies on the Board. The Committee shall announce the names of the selected candidates, in writing, to all Owners, at least thirty days before the annual meeting.

ARTICLE X.

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Bylaws of the Association, as well as any management agreements, shall be available for inspection, and copies may be purchased at reasonable cost.

ARTICLE XI.

Obligations of Members

A. Assessments. All members are obligated to pay annual, monthly, and special assessments imposed by the Association by the act of the Board of Directors. Assessments shall be uniform and made pro-rata, according to the number of Lots originally platted, and shall be due and payable immediately upon receipt of notice of such assessment. Such assessment shall include money for a general operating reserve; common expenses, a reserve fund for the replacement of grass or sprinkler system, if there exists in effect a contractual maintenance agreement with an outside agency and payment of all associated water or electric charges.

B. Collection of Assessments. Assessments not paid when due shall be delinquent and shall bear interest at the highest legal rate per annum from the date of delinquency. The Board of Directors, on behalf of the Association, may institute legal proceedings against the delinquent member in the form of a suit for damages and/or by foreclosing the lien against the property against which the assessment is made, in either of which events, all costs of court and reasonable attorney's fees shall be added to the amount due. Non-use of the owner's property, the common property or abandonment of a unit shall not relieve a member of his liability for his assessments.

C. Maintenance and Repair. The terms of any common maintenance agreement entered into among the various owners pursuant to the protective covenants and restrictions recorded in the Miscellaneous Records of Otero County, New Mexico, are hereby incorporated into these Bylaws for the purpose determining the obligations and rights of such owners, if currently there exists in effect a common maintenance agreement. All sums due under the terms of the common maintenance agreement shall, for purposes of collection, be deemed to be an assessment.

D. Common Maintenance Agreement. It is understood that by written agreement of seventy-five per cent (75%) of the members of the Association, the Association shall retain the authority without further amendment to enter into a common maintenance

agreement with any agency or entity for the assumption of said responsibilities in whole or in part, on contractual terms to be decided by the Association Directors.

E. Right of Entry. Each owner of a Lot hereby grants an easement to persons authorized by the Board of Directors for ingress to and egress from areas on his property necessary to accomplish the purposes of the Association, including the maintenance of common property.

F. Lien. Each member, by acceptance of title to any Lot within the above described property, grants to the Association a lien against said property and all improvements thereon, for the payment of all assessments. The lien may be foreclosed in accordance with the statutory provisions of the Mechanic's and Materialman's Lien Law of the State of New Mexico.

ARTICLE XII.

Amendments

A. 75% Requirement. These Bylaws may be amended, at a regular or special meeting of the members, by an affirmative vote of seventy-five per cent (75%) of the members, or by a signed writing of seventy-five per cent (75%) of the members.

B. Construction of Conflicts. In the case of conflict between these Bylaws and the then effective restrictive covenants of record, the provisions contained in the restrictive covenants shall control.

ARTICLE XIV.

Miscellaneous

A. Fiscal Year. The fiscal year of the Association shall be the calendar year.

B. Action on Behalf of Member. In the event a member of the Association fails to take action required by the Restrictive Covenants, these Bylaws, the authorized resolutions and policies published by the Board of Directors, or any laws, rules or regulations of the United States, the State of New Mexico, the County of Otero, or any other governmental agency or entity, the Board of Directors may take such action on behalf of the Association for the member at his expense and collect costs so incurred in the same manner as provided for the collection of assessments.

C. Common Property. The common property shall include all real and personal property owned by the Association including all landscaping improvements, sprinkler systems, easements and maintenance equipment, if any.

D. Rebuilding or Repair of Units. Each unit owner shall be required to rebuild or repair his unit within six (6) months of the date on which destruction of or damage to the unit has occurred. In the event any member fails to take such action, the Association is empowered either to take such action on behalf of the member in accordance with the provisions of these Bylaws, or to require the member to sell his property.

E. Damage to or Destruction of Structures. In the event of damage to or destruction of any structure located within the property, the structure so damaged or destroyed shall be repaired or restored, the owner paying the full expense thereof. Such repair or restoration shall be in accordance with the uniform architectural plan and finish, and in accordance with the original plans and specifications.

F. Decoration and Maintenance. Subject to the terms and provisions of these Bylaws, each owner shall keep all exterior walls of his dwelling unit in good condition and repair at his sole cost and expense. No owner shall do or permit to be done any act or thing which would adversely affect or depreciate the value of any unit or portion thereof. It is expressly understood that each Owner shall be responsible for the maintenance, inspection and repair of the roofing and skylight structures of the individually owned town homes. The Association shall only be responsible for the maintenance, inspection and repair of the roof and skylight structures on any commonly owned improvements on the subject property. The Association will be responsible for painting (only) the exterior walls of the individually owned town homes and shall have discretion as to the color, style and frequency of said painting.

G. Arbitration. Any dispute or conflict arising under these Bylaws may be submitted to arbitration, in which event each owner involved in the dispute or controversy shall select a disinterested person as an arbitrator. The two arbitrators so selected shall choose a third arbitrator. If the two arbitrators are unable to agree on a third arbitrator, the third arbitrator shall be appointed by the Board of Directors. Within fifteen (15) days after the third arbitrator has been selected or appointed, a hearing will be held, at which hearing each owner involved in the controversy shall be entitled to submit evidence. The decision by a majority of the arbitrators shall be conclusive. The expense of such arbitration shall be borne equally by the owners, unless the arbitrators shall decide that the expense shall be borne by one of

the parties or in some other proportion, and such decision of the arbitrators shall be binding upon the parties.

H. Attorney's Fees. In the event it shall be necessary for the Association on behalf of the members to place these Bylaws in the hands of an attorney for the enforcement of any rights arising hereunder or for the recovery of any moneys due, and if it is necessary to bring suit for the enforcement of such rights or recovery, the prevailing party in any such suit shall recover all court costs and reasonable attorney's fees as determined by the court in addition to any other relief or recovery awarded by the court.

I. Nuisances. No noxious or offensive activity shall be carried on in any dwelling unit or Lot nor shall anything be done by any member, his family, employee or invitees, either wilfully or negligently, which may be or become an annoyance or nuisance to the other members, their families and invitees. No member shall make or permit any disturbing noises in the dwelling units by himself, his family, pets, employees or invitees nor permit anything by such persons or pets that will interfere with the rights, comforts or convenience of the other members. This provision is in addition to and not in lieu of the Restrictive Covenants of record.

J. Enforcement. The Association on behalf of all the members shall have the right to enforce by any proceeding at law or in equity all of the covenants, conditions, easements, restrictions, rights, duties and obligations herein contained. If any suit for injunction is brought for the enforcement (whether to prevent a violation or a threatened violation) of any such covenants, conditions, easements, restrictions, rights, duties and obligations, no bond or other security shall be required of the party bringing such action in order to secure the issuance of a temporary restraining order, temporary injunction or final injunction. If the application for injunction is contested, the successful party in such action shall be entitled to recover all court costs and reasonable attorney's fees as determined by the court. Further, the covenants allow assessments, fines or penalties as agreed to by the Association Directors and such fines are set forth in the schedule of assessments, fines, and penalties maintained with the Association's official records. Any disputes as to the levy of such a fine, assessment or penalty shall be determined by the Directors of the Association, and upon a written notice of appeal, and after any appropriate hearing is held, the action of said Directors shall be affirmed or modified as the Directors shall deem appropriate. Each member of the Association agrees that there shall be no other rights of appeal from said determination and each member agrees to abide by and fully conform with the decision of the Directors of the Association in this regard.

K. Landscaping. All landscaping shall be in harmony with the landscaping of the other members of the Association, and any plans for landscaping which shall be extraordinarily deviant from said harmony must be first submitted and approved by the Board of Directors. The Association shall have full responsibility for landscaping.

L. Severability. The invalidation of any portion of these Bylaws by a judgment or court order shall in no way affect the other provisions. Such other provisions shall remain in full force and effect.

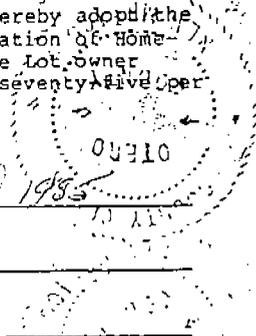
M. Covenants Running with the Land. All of the easements, covenants, conditions, restrictions, rights, duties and obligations herein contained are hereby declared to be and shall be covenants running with the property (including all improvements constructed thereon) and shall be binding upon all parties having or claiming any right, title or interest in the above described real estate or any part thereof, their heirs, successors, executors, administrators or assigns. Such covenants, conditions, easements, restrictions, rights, duties and obligations shall inure to the benefit of each owner of any one or more of the Lots.

N. Term. The covenants, conditions, easements, restrictions, rights, duties and obligations contained in these Bylaws shall be in full force and effect for an initial term of twenty (20) years from the date hereof. After the initial term, they shall extend so long as any dwelling, common fence or any portion thereof is used for residential purposes, provided, however, that such a covenant, condition, easement, restriction, right, duty and obligation may be amended, modified or terminated as provided elsewhere herein.

IN WITNESS WHEREOF, we, the undersigned, being at least seventy-five per cent (75%) of the Lot owners do hereby adopt the foregoing as the Bylaws of the Spur Landing Association of Homeowners, effective the date of signing hereof by the Lot owner whose signature shall represent the attainment of seventy-five per cent (75%) of the Lot owners.

Cloudecroft Real Estate & Insurance
By Thomas Merrill

May 21st 1985



STATE OF NEW MEXICO)
COUNTY OF OTERO)

The foregoing instrument was acknowledged before me this 21st day of May, 1985, by Thomas C. Merrill, President of Cloudecroft Real Estate and Insurance, Inc., a New Mexico Corporation, on behalf of said corporation.

My Commission Expires: October 10, 1989

Thomas C. Merrill
Notary Public

STATE OF NEW MEXICO, County of Otero ss I hereby certify that this instrument was filed for record on the 18 day of December 1985 at 3:30 o'clock P.M. and duly recorded in Book 588 Page 744-900 of the Records of said county
By *Mary W. Quinteros* Deputy *Andrew C. Whindome* County Clerk

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