BY-LAWS

OF

THE LOS VERDES HOMEOWNERS' ASSOCIATION, INC.

These By-Laws are made for the purpose of managing the affairs of The Los Verdes Homeowners' Association, Inc., a New Mexico non-profit corporation, THE PARADISE GREENS UNIT 1 (LOS VERDES) SUBDIVISION RESTRICTIONS, hereinafter referred to as "Restrictions," as they may be amended from time to time and the Articles of Incorporation of this Corporation. All capitalized terms used herein shall have the meanings as set forth in the Restrictions.

ARTICLE I
OFFICES

Section 1.01: PRINCIPAL OFFICE.

The principal office for the transaction of business of the Corporation is hereby fixed and located at 6400 Uptown Blvd., NE, Suite 200-West, Albuquerque in the County of Bernalillo, New Mexico, 87110. The Board of Directors is hereby granted full power and authority to change the place of the principal office to another location within the City of Albuquerque, New Mexico.

ARTICLE II
MEMBERS' MEETINGS

Section 2.01: PLACE OF MEETINGS.

All meetings of the members shall be held within the Subdivision or at such other place within the City of Albuquerque, New Mexico, as designated from time to time by resolution of the Board of Directors or written consent of all members of the Board. During any time no adequate facility is available within the subdivision, the Board may designate a meeting place outside the subdivision but as close thereto as practicable.

Section 2.02: ANNUAL MEETINGS.

The annual meeting of the members shall be held on the 1st Tuesday of December of each year if not a legal holiday, and if a legal holiday, then on the next succeeding business day at the hour of 7:00 p.m., at which time the members shall elect by plurality vote a Board of Directors beginning in 1996, for terms commencing January 1, 1997 consider reports of the affairs of the Corporation, and transact such other business as may properly be brought before the meeting. The date and time of the annual meeting may be changed by Resolution of the Board.

Section 2.03: SPECIAL MEETINGS.

Special meetings of the members, for any purpose or purposes whatsoever, may be called at any time by the President, or by the Board of Directors, or by any two or more members thereof, or by one or more members holding not less than twenty-five percent (25%) of the voting power of the Corporation. During the period Grantor owns any lots within the subdivision, such meetings may be called by the Grantor.

Section 2.04: NOTICE OF MEETINGS.

Notice of meetings, annual or special, shall be given in writing to members entitled to vote by the Secretary or the Assistant Secretary, or if there be no such officer, or in a case of his neglect or refusal, by any director or member.

Such notices shall be sent to the members' address appearing on the books of the Corporation, or supplied by him to the Corporation for the purpose of notice, not less than ten (10) days before such meeting.

Notice of any meeting of members shall specify the place, the day and the hour of meeting, and in case of special meeting, in the manner provided by law, shall state the general nature of the business to be transacted.

Notice of the business to be transacted shall also be given for any meeting at which the following matters are to be considered (1) lease or transfer of all or substantially all of the Corporation's assets; (2) merger with another corporation; (3) amendment of the Restrictions or Articles of Incorporation; (4) dissolution of the Corporation; or (5) plans for distribution of assets in connection with dissolution.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save, as aforesaid, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 2.05: CONSENT TO MEMBERS' MEETINGS.

The transactions of any meeting of members, however called and noticed, shall be valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Any action which may be taken at a meeting of the members, except the approval of agreements to merge or consolidate with other corporations, may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Corporation.

Section 2.06: QUORUM.

Members having twenty-five percent (25%) of votes either present in person, or represented by proxy, shall be a requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by law, by the Restrictions, by the Articles of Incorporation, or by these By-Laws. If, however, such majority shall not be present or represented at any meeting of the members, the members entitled to vote, present in person, or by proxy, shall have power to adjourn the meeting from time to time, to a date not less than five (5) or more than thirty (30) days from the date of the adjourned meeting, until the requisite number of votes shall be present. At such adjourned meeting at which the requisite number of votes shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.07: VOTING RIGHTS: CUMULATIVE VOTING.

Only members whose names stand on the records of the Corporation as entitled to vote on the day of any meeting of members, unless some other day be fixed by the Board of Directors for the determination of members of record, then on such other day, shall be entitled to vote at such meeting.

Every member entitled to vote shall be entitled to the votes as set out in the restrictions, except that for the election of directors each member

shall be entitled to a number of votes equal to the number of directors to be elected, multiplied by the number of votes which he is entitled to vote.

The election of Directors shall be by secret written ballot.

Section 2.08: PROXIES.

Every person entitled to vote or execute consents shall have the right to do so, either in person, or by an agent or agents authorized by written proxy, executed by such person or his duly authorized agent and filed with the Secretary of the Corporation. The manner of execution, revocation, and use of proxies shall be governed by the general provisions of law.

Section 2.09: FIRST MEMBERS' MEETING.

Notwithstanding any other provision of this Article II, the first meeting of members, whether regular or special, shall be held within one (1) year after the closing of the sale of the first lot.

ARTICLE III
DIRECTORS; MANAGEMENT

Section 3.01: POWERS.

Subject to the limitation of the Restrictions, Articles of Incorporation, of the By-Laws and of the laws of the State of New Mexico as to actions to be authorized or approved by the members, all corporate powers shall be exercised by or under authority of, and the business and affairs of this Corporation shall be controlled by, a Board of Directors.

Section 3.02: NUMBER OF DIRECTORS.

The number of Directors of the Corporation shall be three (3).

Section 3.03: ELECTION AND TENURE OF OFFICE.

Until January 1, 1997, the Board shall be appointed by and shall serve at the pleasure of the Grantor. At the 1996 meeting of members one (1) member of the Board shall be elected to serve a one (1) year term. The remaining members of the Board shall be elected for two (2) year terms and all subsequent elections for membership to the Board shall be for two (2) year terms. Their term of office shall begin on the first day of the next calendar year.

Section 3.04: VACANCIES.

Vacancies in the Board of Directors may be filled by the Grantor until December 31, 1996 and thereafter by a majority vote of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of members or at a special meeting called for that purpose.

The members may elect a Director to fill any vacancy not filled by the Directors, and may do so at an annual meeting or special meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, in case of an amendment to these By-Laws increasing the number of Directors, or in case the members fail, at any time, to elect the full number of authorized Directors.

If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board, shall have the power to appoint a successor to take office when the resignation shall become effective.

No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

Section 3.05: REMOVAL OF DIRECTORS.

The entire Board of Directors or any individual Director may be removed from office by a two-thirds (2/3) vote of the members at a special meeting called for that purpose, and if Grantor owns any lots within the subdivision, with Grantor's consent.

Section 3.06: PLACE OF MEETINGS.

Meeting of the Board of Directors shall be held within the subdivision, as designated for that purpose from time to time by resolution of the Board of Directors or written consent of all members of the Board. During any time that no adequate facility is available to hold such a meeting within the subdivision, the Board may designate a meeting place outside the subdivision, but as close thereto as practicable. Any meeting shall be valid, wherever held, if held by the written consent of all members of the Board, given either before or after the meeting, and filed with the Secretary of the Corporation.

Section 3.07: ORGANIZATIONAL MEETINGS.

The organizational meeting of the Board of Directors shall be held each year immediately following the adjournment of the annual meeting of the members.

Section 3.08: OTHER REGULAR MEETINGS.

Regular meetings of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the members and at least quarterly, on dates to be set from time to time by the Board of Directors.

If said day for the meetings, except for the meeting that immediately follows the annual meeting of the members, shall fall upon a holiday, such meetings shall be held on the next succeeding business day thereafter. Notice of the time and place of annual, regular or special meetings of the Board of Directors shall be mailed or delivered to all members, or posted in at least one (1) prominent place within the Subdivision at least ten (10) days prior to such meetings.

Section 3.09: SPECIAL MEETINGS — NOTICES.

Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President, or if he is absent or unable or refuses to act, by any Vice President, or by any two (2) Directors.

Written notice of the time, place and nature of any special business to be considered by special meetings shall be posted in the manner as provided for regular meetings at least seventy-two (72) hours prior to the time of the holding of the meeting, delivered personally to the Directors or sent to each Director by letter or by telegram, charged prepaid, addressed to him at his address as it is shown on the records of the Corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held.

In case such notice is mailed or telegraphed, it shall be deposited in the United States mailed or delivered to the telegraph company in the place

in which the principal office of the corporation is located at least ninety-six (96) hours prior to the time of the holding of the meeting. In case such notice is delivered personally as above provided, said delivery shall be at least seventy-two (72) hours prior to telegraphing, or delivery as above provided and shall be due, legal and personal notice to such Director.

Section 3.10: WAIVER OF NOTICE.

When all the Directors are present at any Directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or, if a majority of Directors are present, if those not present sign, in writing, a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which said waiver shall be filed with the Secretary of the Corporation, the transactions thereof are as valid as if had at a meeting regularly called and noticed, provided that in no case shall a meeting be valid unless the notice of the meeting has been posted as required by this Article and no resolution shall be validly adopted without a meeting during any time there are members other than Grantor.

Section 3.11: MEETINGS BY TELEPHONE.

With the consent of all the Directors, meetings may be held by conference telephone or by other communication method which allows all Directors to have vocal communication, provided the meetings are properly noticed and posted as required by this Article.

Section 3.12: NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

Section 3.13: QUORUM

A majority of the number of Directors as fixed by the Articles of Incorporation or By-Laws shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the Directors present at any properly held meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provide that a majority of the Directors present, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

Section 3.14: RIGHT OF ATTENDANCE AT MEETINGS.

All meetings of the Board of Directors and committees of the Board shall be open to all members provided that members who are not members of the Board may not participate in any deliberation or discussion unless authorized expressly by the vote of a majority of a quorum of the Board. The Board may, however, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, or potential litigation involving the Association, and business of a similar nature. The nature of all Business to be considered at any executive session shall first be announced in the open meeting.

ARTICLE IV
OFFICERS

Section 4.01: OFFICERS.

The officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer. The Corporation may also have, in the discretion of the Board of Directors, one or more additional vice-presidents, one

or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of this Article. One person may hold two (2) or more offices, however no person may simultaneously hold the positions of President and Secretary.

Section 4.02: ELECTION.

The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of the Section headed, "Subordinate Officers, etc.," or the Section headed, "Vacancies," of this Article shall be chosen annually by the Board of Directors, and each shall hold office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 4.03: SUBORDINATE OFFICERS, ETC.

The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may, from time to time, determine.

Section 4.04: REMOVAL AND RESIGNATION.

Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conveyed by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05: VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Section 4.06: PRESIDENT.

The President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the members and at all meetings of the Board of Directors. He shall be ex officio, a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

Section 4.07: VICE-PRESIDENT.

In the absence or disability of the President, the Vice-Presidents, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice-Presidents designated by the Board of Directors, shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or By-Laws.

Section 4.08: SECRETARY.

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office of the Corporation or such other place as the Board of Directors may order, of all meetings of Directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of votes present or represented at Directors' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office a register showing the names of the members and their addresses; the number of votes held by each; the number and date of any certificates issued for the same (if the Corporation causes certificates to be issued to evidence membership in the Corporation), and the number and date of cancellation of every certificate surrendered for cancellation.

Section 4.09: TREASURER.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and any monies and funds handled for the members. The books of account shall, at all reasonable times, be open to inspection by any Director.

The Treasurer shall deposit monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors; shall render to the President and Directors, whenever requested, an account of all his transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the By-Laws.

ARTICLE V

EXECUTIVE AND OTHER COMMITTEES

Section 5.01: EXECUTIVE AND OTHER COMMITTEES.

The Board of Directors may appoint an Executive Committee, and such other committees as may be necessary from time to time, consisting of at least two (2) of its members and with such powers as it may designate, consistent with the Restrictions, the Articles of Incorporation and By-Laws and of the Non-Profit Corporation Laws of the State of New Mexico. Such committees shall hold office at the pleasure of the Board.

ARTICLE VI

CORPORATE RECORDS AND REPORTS -- INSPECTION

Section 6.01: RECORDS.

The Corporation shall maintain adequate and correct accounts, books and records of its business and properties, and the business and properties of the Owners with which it is entrusted. All of such books, records and accounts shall be kept at its principal place of business in the State of New Mexico, as fixed by the Board of Directors from time to time.

Section 6.02: INSPECTION OF BOOKS AND RECORDS.

The membership register, books of account and minutes of members' meetings or Board of Directors' meetings (except for the minutes of the executive sessions) and of committees of the members or Board shall be made available for inspection and copying by any member of the Association or by such member's duly appointed representative at any reasonable time at the office of the Association or at such other place within the subdivision as the Board shall prescribe, for any purpose reasonably related to the member's interest as a member. The Board shall establish reasonable rules as to the notice to be given to the custodian of records by the members desiring to make the inspection, the hours and days of the week when inspection may be made, and the cost of reproducing copies of documents requested by a member.

Section 6.03: CERTIFICATION AND INSPECTION OF BY-LAWS.

The original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the members of the Corporation in the manner provided by law.

Section 6.04: CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 6.05: CONTRACT, INSTRUMENTS -- HOW EXECUTED.

The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge the Corporation's credit, or to render the Corporation liable for any purpose or to any amount.

Section 6.06: ANNUAL REPORT.

The Board of Directors of the Corporation shall cause to be prepared and sent to the members upon request within sixty (60) days of the last day of the period covered, a balance sheet as of the last day of the period covered and operating (income) statement for the Corporation's fiscal years.

The operating statement shall include a schedule of assessments received and receivable identified by the lot or other identification of the interest assessed and the names of the person or entity assessed.

The Board of Directors shall cause to be prepared and sent to the members upon request sixty (60) days before the beginning of each fiscal year, a tentative operating statement (budget) for that year.

If, in any year, the income of the Association exceeds $100,000.00, the Board of Directors shall employ a Certified Public Accountant to conduct an audit of the Association's fiscal transactions and shall distribute copies of the audit to the members.

ARTICLE VII
MEMBERSHIP

Section 7.01: MEMBERSHIP.

Each Owner, by virtue of being an Owner and during such time as such Owner remains as Owner, shall be a member of the Association. The term, "Owner", shall be defined in the Restrictions and shall mean as to property whose ownership gives rise to membership in this Corporation the person or entity holding the beneficial ownership of the fee, including a purchaser under a contract of sale. It is the duty of each person who becomes an Owner or who ceases to become such an owner to notify the Association, in writing, within thirty (30) days, giving the date and recording date of the instrument transferring title, a copy of such instrument and addresses to which notices are to be sent. The change and transfer of memberships shall be made in a register kept at the principal office of the Corporation. In the case of any dispute, the Board of Directors shall decide, pursuant to the provisions of the Restrictions, who is a member of this Corporation.

Section 7.02: VOTING RIGHTS.

Each member shall be entitled to the votes as provided in this Article on all matters properly submitted for vote to the membership of the Association. Every member entitled to vote at any election of members of the Board may cumulate his votes and give any one or more candidates a number of votes equal to the number of votes to which the member is entitled, multiplied by the number of Directors to be elected. The right to vote may not be severed or separated from any lot, and any sale, transfer, or conveyance of the beneficial interest of the fee of any lot to a new Owner shall operate to transfer the appurtenant vote rights without the requirement of any express reference thereto. Voting may be by written proxy.

When any provision of the Restrictions, Articles of Incorporation or By-Laws of this Corporation calls for the vote or the consent of the members in any stated percentage, it is sufficient to obtain the written consent of the same of members.

The Board of Directors may close the membership register for a period not exceeding thirty (30) days preceding any meeting, annual or special, of the members and any such meeting shall be conducted and any vote taken on the basis of the memberships shown in the register at the time of closing.

Section 7.03: ASSESSMENTS.

Each member is subject to the following charges and assessments payable to the Association (1) maintenance assessments; (2) delinquency assessments; (3) assessments for capital improvements; and (4) all other fees or other monies due to the Association for such member.

Section 7.04: MAINTENANCE ASSESSMENT.

1. Within thirty (30) days prior to the commencement of each fiscal year the Association shall estimate the costs and expenses to be incurred by the Association during the year, including a reasonable provision for contingencies, as well as reserves for major repair and replacement, and shall subtract from such estimate an amount equal to the anticipated balance, exclusive of any reserves for contingencies, and reserves for major repair and replacement in the operating fund at the start of such year. The net estimate so determined shall be assessed to all the Owners in shares - one (1) share for each lot owned.

2. If, at any time, and from time to time during any fiscal year, the maintenance assessment proves or appears likely to prove inadequate for any

reason, including nonpayment of any Owner's share thereof, the Association may levy a further maintenance assessment in the amount of such actual or estimated inadequacy.

3. Maintenance assessments shall be due and payable to the Association when levied or in such installments during the year, and on such due dates as the Board shall designate.

4. The maintenance assessment shall not include any amount for the capital improvement of Common Area which, in any fiscal year, exceeds five percent (5%) of the budgeted gross expenses of the Association and which is not part of such budgeted gross expenses. Such assessments for extraordinary capital improvements may be levied pursuant to Article 7.07.

5. Until the December 31st immediately following the conveyance of the first lot by Grantor, the annual assessment per lot shall not exceed $360.00. From and after said December 31st, the maximum maintenance assessment may be increased each year not more than the greater of (i) ten percent (10%) or (ii) a percent increase above the maximum assessment for the previous year equal to the percentage increase of the Consumer Price Index without a vote of two-thirds (2/3) of the members and the Grantor's consent, if the Grantor owns any lots within the subdivision. The percent of increase shall be cumulative from year to year so that an increase not used in one year may be used in a subsequent year, without a vote of the members.

6. Notwithstanding the limitation on the increase in maintenance assessments set out in subparagraph (5).

Section 7.05: DELINQUENCY ASSESSMENT.

The Association shall levy delinquency assessment against any member or members as a result of whose acts, or failure or refusal to act, or otherwise comply with the Restrictions, or the Rules, monies were expended from the operating fund by the Association. Such assessment shall be in the amount so expended, and shall be due and payable to the Association when levied, or in such installments as the Association shall designate. Prior to the levy of a delinquency assessment, the Board shall hold a hearing to determine the validity and amount of the assessment upon at least (30) days notice to the member to be assessed. Such member to be assessed shall be given an opportunity to be heard at such hearing held to determine the validity and amount of the assessment.

Section 7.06: ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

The Association may also levy in any year an assessment for paying or returning, in whole or in part, the cost or proposed cost of acquisition and construction of a described capital improvement (whether the improvement constitutes real or personal property), in an amount greater than can be included in the maintenance assessment, provided such assessment has been approved by the two-thirds (2/3) vote of the members and the consent of the Grantor, if the Grantor owns any lots within the subdivision, which assessment shall be assessed to members as provided for in maintenance assessments.

Section 7.07: DELINQUENCY.

Each assessment under this Article shall be the separate, distinct and personal debt and obligation of the member against whom it is assessed. Any assessment provided for in this Article, which is not paid when due, shall be delinquent.

With respect to each assessment not paid within ten (10) days after its due date, the Association may, at its election, require the member to pay a sum (late charge) to be determined by the Association, to pay for the costs of

handling the delinquent sum, but not to exceed twenty dollars ($20.00) per each delinquent assessment. Such a charge shall be considered an additional assessment and collectable with the assessment for which it was charged.

If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate as set from time to time by the Board, however not greater than twenty percent (20%) per annum, and the Association may, at its option, bring an action at law against the owner or owners personally obligated to pay the same, and upon compliance with the provisions of this Article to foreclose the lien against the lot, and there shall be added to the amount of such assessment, the late charge, the costs of preparing and filing the complaint in such action, and, in the event a judgment is obtained, such judgment shall include interest at the rate provided herein and a reasonable attorney's fee, together with the costs of action. Each owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosure against such owner or other owners for the collection of such delinquent assessments.

Section 7.08: NOTICE OF LIEN.

No action shall be brought to foreclose an assessment lien less than thirty (30) days after the date of notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the owner of said lot and a copy thereof be recorded by the Association in the office of the County Recorder in Bernalillo County, New Mexico. Said notice of claim must recite a good and sufficient legal description of any such lot, the record owner or reputed owner thereof, the amount claimed (which shall include the interest charges, costs and attorney's fee recoverable by an action at law) and the name and address of the Association.

Section 7.09: FORECLOSURE SALE.

Any such sale provided for above is to be conducted in accordance with the customary practice of the New Mexico Courts applicable to the foreclosure of mortgages and deeds of trust, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the lot at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.

Section 7.10: SUBJECT TO RESTRICTIONS.

The qualifications of members, the different classes of membership, if any, the property, voting and other rights and privileges of members, assessments and dues of members and the method of the collection of such assessments and dues shall be as set forth in the Restrictions and any amendments to the Restrictions. The Restrictions are incorporated herein as though fully set out and shall control in the event of any conflict with the provisions of these By-Laws.

ARTICLE VIII
CORPORATE SEAL

Section 8.01: CORPORATE SEAL.

The corporate seal, if any, shall be circular in form, and shall have inscribed thereon, the name of the Corporation, and the date of its incorporation, and the words "New Mexico".

ARTICLE IX
AMENDMENTS TO BY-LAWS

Section 9.01: BY MEMBERS.

New By-Laws may be adopted, or these By-Laws may be repealed or amended by the members at their annual meeting, or at any other meeting of the members called for that purpose, by a vote of two-thirds (2/3) of the members and if Grantor owns any lots within the subdivision, with the consent of the Grantor.

Section 9.02: RECORD OF AMENDMENTS.

Whenever an amendment or new by-law is adopted, such amendment or new by-law shall be copied in the Book of By-Laws with the original By-Laws, in the appropriate place. If any By-Laws or By-Law is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said Book.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned being all of the persons appointed in the Articles of Incorporation to act as the first Board of Directors of Homeowners' Association hereby assent to the foregoing By-Laws, and adopt the same as the By-Laws of said Corporation.

BEN SPENCER, President

JEFF JESIONOWSKI, Secretary

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