

BYLAWS OF
ANASAZI TRAILS HOMEOWNERS ASSOCIATION, INC.

Preamble. This is a Nonprofit Corporation organized and operated under the applicable laws of the State of New Mexico and the New Mexico Nonprofit Corporation Act, NMSA 1978, §§ 53-8-1 through 53-8-99.

ARTICLE I: OFFICES

Section 1. Principal Office.

The principal office of the corporation in the State of New Mexico shall be located as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Section 2. Registered Office and Registered Agent.

The corporation shall have and continuously maintain in the State of New Mexico a registered office and a registered agent, as required by law. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

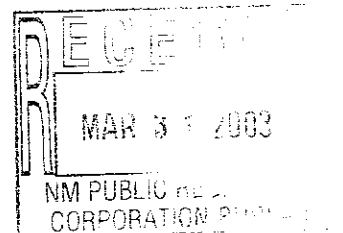
ARTICLE II: DEFINITIONS

Section 1. Association.

The term "Association" shall have the same meaning as set forth in the Declaration.

Section 2. Common Facilities.

The term "Common Facilities" shall have the same meaning as defined in the Declaration.



Section 3. Common Properties.

The term "Common Properties" shall have the same meaning as defined in the Declaration.

Section 4. Declarant.

The term "Declarant" shall have the same meaning as set forth in the Declaration.

Section 5. Declaration.

The term "Declaration" shall mean and refer to the Anasazi Trails Subdivision Comprehensive Declaration of Covenants, Conditions and Restrictions (and amendments thereto) recorded in the Office of the County Clerk of Sandoval County, New Mexico.

Section 6. Lot.

The term "Lot" shall have the same meaning as set forth in the Declaration.

Section 7. Member(s).

The term "Member(s)" shall have the same meaning as set forth in the Declaration.

ARTICLE III: MEMBERSHIP

Section 1. Qualifications for Good Standing.

In addition to those qualifications set forth in the Declaration and in the Articles of Incorporation, the qualifications for being a Member in good standing shall be as follows:

- (a) Full payment of any and all assessments levied by the Association against the proposed Member's Lot;
- (b) Full compliance with the Declaration and any rules and regulations promulgated by the Association; and
- (c) Full payment of any and all assessments levied by any water cooperative.

Section 2. Voting.

The right to vote shall be as stated in the Declaration. In addition, only Members in good standing shall have the right to vote. A member may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact.

ARTICLE IV: MEETINGS OF MEMBERS

Section 1. Annual Meeting.

The annual meeting of the Members of this Association shall be held at a location selected by the Board of Directors within 10 miles of the Anasazi Trails Subdivision, within the County of Sandoval, State of New Mexico. To the extent possible the annual meeting should immediately precede the annual meeting of any water cooperative servicing the Anasazi Trails Subdivision. At the annual meeting, the Board of Directors shall present an audit of the expenses, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each Member, and the estimated budget for the coming calendar year, and any other business which may properly be brought before the Association.

Section 2. Special Meetings.

Special meetings of the Members of the Association may be called at any time by the President, or upon resolution signed by at least a majority of the Board of Directors, or upon written petition to the President signed by ten percent (10%) of the Members. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted except such as is specified in the notice.

Section 3. Notice.

Notice of meetings of the Members of the Association, both regular and special shall include the purpose, place, date and hour of the meeting and shall be given to each Member of record in writing and delivered either personally or by mail to the address shown upon the books of the Association, at least ten (10) days prior to the meeting, but not more than fifty (50) days prior to the meeting.

Section 4. Order of Business.

The order of business at the annual meetings, and as far as possible at other meetings, shall be:

- (a) Calling to order and proof of quorum;
- (b) Proof of notice of meeting;
- (c) Reading and action taken upon the minutes of the last meeting;
- (d) Reports of Directors;
- (e) Reports of Officers and Committees;
- (f) Election of Directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

ARTICLE V: DIRECTORS

Section 1. Control of the Association. Declarant shall have the exclusive right to elect the initial Board of Directors of the Association. Thereafter, subject to the limitations on the right to vote as stated in the Declaration (including without limitation the number of votes allotted to the

type of Member), the Members shall have the right to vote on the Board of Directors and to vote on all other matters properly put before the Members of the Association.

Section 2. Directors' Meetings.

Regular meetings of the Board of Directors shall be held as the Board may determine and at such place and hour as may be fixed from time to time by resolution of the Board. 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. Directors' meetings shall be open to any Member of the Association.

Section 3. Quorum.

A majority of the total number of Directors shall constitute a quorum for the transaction of business. Each act or decision done or made by the Directors shall require the assent of a simple majority of the quorum.

Section 4. Removal and Replacement of Directors.

Any Director or Officer of the Association may resign in writing at any time. Subject to the limitations on the right to vote as stated in the Declaration (including without limitation the number of votes allotted to the type of Member), the Members shall have the right to vote on removing a Director or Officer of the Association from office, with or without cause, and such removal shall occur by a vote of not less than two-thirds (2/3) of the votes of the Members of the Association present at any annual meeting, or at any special meeting called for that purpose. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors on the Board and shall serve until the next meeting of the Association when another will be elected for the unexpired term.

Section 5. Compensation of Director.

No Director shall receive compensation for any service he or she may render to the Association; however, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 6. Action of Directors Without a Meeting.

The Directors shall have the right to take any action in the absence of a meeting of the Directors which could be taken at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers.

The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations ("Rules and Regulations") governing the use of the Common Facilities and Common Properties, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the good standing of any Member as specified in Article III of these Bylaws;

- (c) Suspend the right to use the Common Facilities and Common Properties by 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 a period not to exceed 60 days for infraction of Rules and Regulations;
- (d) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (e) Declare the office of a Director on the Board of Directors to be vacant in the event such Director shall be absent from four (4) consecutive regular meetings of the Board of Directors and fill that vacancy;
- (f) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- (g) To incur debt and approve contracts;
- (h) Approve new Members; and
- (i) Levy assessments and the enforcement and collection thereof in accordance with the provisions of these Bylaws and the laws of the State of New Mexico.

Section 2. Duties.

It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting;
- (b) Supervise all officers, agents and employees of this Association, to insure that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Member subject thereto at least thirty (30) days in advance of each annual assessment period;
 - (3) Fix the amount of any special assessment against each Lot as provided in the Declaration and send statements to each Member as provided for therein;
 - (4) Send written notice of each special assessment to every Member subject thereto at least thirty (30) days in advance of the due date; and
 - (5) Foreclose the lien of the Association against any Lot for which assessments are not paid within thirty (30) days after the due date or

to bring an action at law against the Member, or former Member, personally obligated to pay the same when, in the discretion of the Board of Directors, such action would be in the best interests of the Association.

- (d) Issue, or to cause an appropriate officer to issue, upon reasonable 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 these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned or maintained by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, if in the discretion of the Board of Directors such bond is deemed appropriate;
- (g) Cause the Common Facilities and Common Properties to be maintained;
- (h) Prepare the annual budget;
- (i) Pay all Association bills when they become due;
- (j) Enforce by legal means the provisions of the Declaration, these Bylaws, and the Rules and Regulations; and
- (k) Act on behalf of the Members with respect to all matters arising out of any eminent domain proceeding.

ARTICLE VII: OFFICERS

Section 1. Enumeration of Officers.

The Officers of this Association shall be President, Vice-President, a Secretary, and a Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create. Each Officer shall be a Member of the Association or the authorized agent of a Member corporation or partnership. Only Directors shall be eligible for the offices of President and Vice-President.

Section 2. Election of Officers and Term of Office.

The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the Officer shall sooner resign, or shall be removed, or otherwise disqualified to serve. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Special Officers.

The Board may elect such other Officers from the Members 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.

Section 4. Resignation and Removal.

Any Officer may be removed from office, with or without cause, by the Board. Any Officer may resign in writing at any time 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, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. 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 or she replaces.

Section 6. Duties.

The duties of the Officers are as follows:

- (a) President. The President shall preside at all meetings of the Members and the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments on behalf of the Association and shall co-sign all checks and promissory notes.
- (b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.
- (c) 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 corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their mailing address and whether or not they are in good standing, and shall perform such other duties as required by the Board.

- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, including but not limited to the Maintenance Fund as set forth in the Declaration, and shall disburse such funds as directed by the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditure to be presented to the membership at its regular annual meeting.

ARTICLE VIII: MAINTENANCE FUND

As more fully described in the Declaration, the Association shall create and maintain a Maintenance Fund. The purpose of the Maintenance Fund shall be as specified in the Declaration. The amount of the annual levy to establish and maintain the Maintenance Fund shall be determined by the Board of Directors based in part upon the average annual expenditures for past years. In no instances shall said Maintenance Fund total more than a reasonable amount necessary to meet annual average costs of the Association's obligations under the Declaration.

ARTICLE IX: ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to promptly pay to the Association both annual and special assessments all of which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessments which are not paid when due

shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Member, or former Member, personally obligated to pay the same or foreclose the lien on the Lot. If the assessment is placed in the hands of an attorney for collection or if suit is brought thereon or if collected through probate or other judicial proceedings, the Member, or former Member, shall pay to the Association an additional reasonable amount, but not less than ten percent (10%) of the amount owing, as attorneys' fees. In addition, the Member, or former Member, shall pay all costs of such collection or judicial proceeding. No Member may waive or otherwise escape liability for the assessments provided for herein. The Board of Directors shall be entitled to record a notice of the lien of the Association for any assessment which is delinquent.

ARTICLE X: RECORDS OF THE ASSOCIATION

Section 1. Inspection of Records.

The books, records and papers of the Association shall at all times, during regular business hours and upon reasonable advance notice, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reproduction cost.

ARTICLE XI: SALE OR TRANSFER OF MEMBERSHIP

Section 1. Sale or Transfer.

Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership, all as provided for in the Declaration. Whenever the legal ownership of any lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association.

Transfer of an interest in the Association will not affect or change any existing or accrued obligations, and such new interest holder will not be personally liable for such obligations unless otherwise specified in these Bylaws or the Declaration.

ARTICLE XII: AMENDMENTS

These Bylaws may be repealed or amended by a majority of the votes of the Members voting at the annual meeting, or at any special meeting called for that purpose; provided notice of the proposed repeal or amendment is incorporated in the notice of such meeting. Notwithstanding the foregoing, the Members may not amend or repeal any provision of these Articles that would affect the rights (and no amendment or repeal shall serve to affect those rights) of Delashe Investments, LLC, its successors or assigns, any member of Delashe Investments, LLC, and/or the Declarant (as such word is defined in the Anasazi Trails Subdivision Comprehensive Declaration of Covenants, Conditions and Restrictions and in any subsequent amendment consented to by the Declarant).

ARTICLE XIII: MISCELLANEOUS

Section 1. Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Indemnification of Board of Directors and Association.

The Association shall indemnify any Director or Officer, or former Director or Officer, of the Association against reasonable expenses, costs, and attorney's fees actually and reasonably incurred by him or her in connection with the defense of any action, suit, or proceeding, civil or criminal, in which he or she is made a party, or in which he or she may become involved, by reason of being or having been a Director or Officer. The indemnification shall include any amounts paid to satisfy a judgment or to compromise or settle a claim, provided that in the event of a settlement the indemnification shall apply when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The Director or Officer shall not be indemnified if he or she is adjudged to be liable on the basis that he or she has breached or failed to perform the duties of his or her office and the breach or failure to perform constitutes willful misconduct or recklessness.

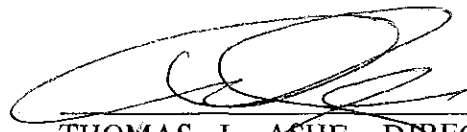
Section 3. Conflicts.

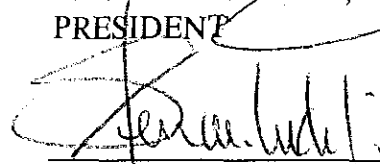
In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 4. Interested Parties.

No transaction of the Association will be affected because a Member, Director, Officer, or Employee of the Association is interested in the transaction, provided full disclosure is made in advance to the Directors and Officers of the Association. Such interested parties will be counted for quorum purposes, and may vote, when the Association considers the transaction. Such interested persons will not be liable to the Association for the party's profits, or the Association's losses from the transaction.

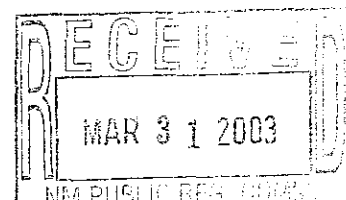
IN WITNESS WHEREOF, we, being the initial Board of Directors of the Anasazi Trails HOMEOWNERS ASSOCIATION, INC., including the President and Secretary, having adopted these Bylaws of the Association, have hereunto set our hands this 17th day of March, 2003.


THOMAS J. ASHE, DIRECTOR AND
PRESIDENT


STEVEN M. GUDELIJ, DIRECTOR AND
SECRETARY


WENDY GUDELIJ, DIRECTOR


JOANNE S. ASHE, DIRECTOR



ACKNOWLEDGMENT

STATE OF NEW MEXICO)
)
COUNTY OF Sandoval)

The foregoing instrument was acknowledged before me this 17th day of March, 2003, by Thomas J. Ashe, Director and President of Anasazi Trails Homeowners Association, Inc.

Susan M. Gorey White
NOTARY PUBLIC

My Commission Expires: 4/18/2005

STATE OF NEW MEXICO)
)
COUNTY OF Sandoval)

The foregoing instrument was acknowledged before me this 17th day of March, 2003, by Steven M. Gudelj, Director and Secretary of Anasazi Trails Homeowners Association, Inc.

Susan M. Gorey White
NOTARY PUBLIC

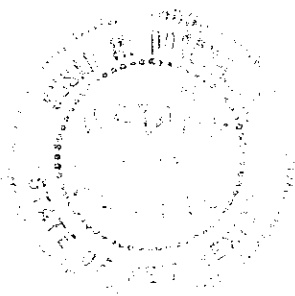
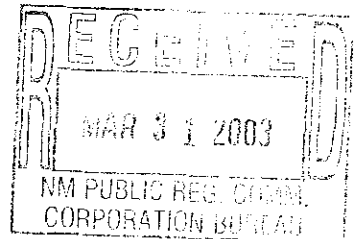
My Commission Expires: 4/18/2005

STATE OF NEW MEXICO)
)
COUNTY OF Sandoval)

The foregoing instrument was acknowledged before me this 17th day of March, 2003, by Wendy Gudelj, Director of Anasazi Trails Homeowners Association, Inc.

Susan M. Gorey White
NOTARY PUBLIC

My Commission Expires: 4/18/2005



STATE OF NEW MEXICO)

COUNTY OF Santoral)

The foregoing instrument was acknowledged before me this 17th day of March, 2003, by Joanne S. Ashe, Director of Anasazi Trails Homeowners Association, Inc.

Susan M. Doney White
NOTARY PUBLIC

My Commission Expires: 4/15/05

