

OFFICE OF THE SECRETARY OF STATE

NEW MEXICO

CERTIFICATE OF COMPARISON

OF

**PARADISE BLUFF HOMEOWNERS ASSOCIATION, INC.
1906262**

The Office of the Secretary of State certifies that the attached is a true and complete copy of the 22 page document on file in this office.

This Certification is in accordance with section:
53-8-93 NMSA 1978.

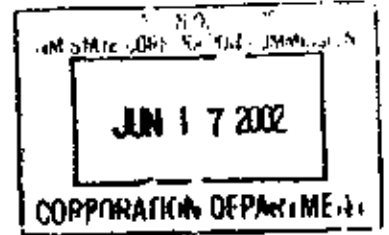
Dated : **April 13, 2015**

In testimony whereof, the Office of the Secretary of State has caused this certificate to be signed on this day in the city of Santa Fe, and the seal of said office to be affixed hereto.



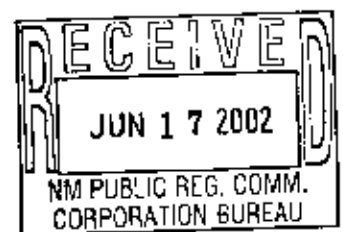

Dianna J. Duran
Secretary of State

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BY-LAWS OF
PARADISE BLUFF
HOMEOWNERS ASSOCIATION, INC.

(SCC Number: 1906262)



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BY-LAWS OF
PARADISE BLUFF HOMEOWNERS ASSOCIATION, INC.

These By-Laws are made for the purpose of managing the affairs of the Paradise Bluff Homeowners Association, Inc., a New Mexico non-profit corporation, pursuant to the PARADISE BLUFF SUBDIVISION RESTRICTIONS, hereinafter referred to as "Restrictions," as they may be amended from time to time and the Articles of Incorporation of this Corporation.

ARTICLE I
OFFICES

Section 1.01: PRINCIPAL OFFICE

The principal mailing address for the transaction of business of the Corporation is hereby fixed as Paradise Bluff Homeowners Association, P.O. Box 67157, Albuquerque, in the County of Bernalillo, New Mexico, 87193-7157. The Board of Directors is hereby granted full power and authority to change the place of the principal office to another location within the Bernalillo County, New Mexico.

ARTICLE II
MEMBERS' MEETINGS

Section 2.01: PLACE OF MEETINGS

All meetings of the members shall be held within the Paradise Bluff subdivision or at such other place within Bernalillo County, 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 first Thursday of April 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, commencing with the 2002 annual meeting of the members shall elect by plurality vote a Board of Directors, 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 holds votes in the Association, such meetings may be called by one or more members holding not less than fifteen percent (15%) of the voting power of the Corporation, excluding 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 or her by 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 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.

**ARTICLE III
DIRECTORS; MANAGEMENT**

Section 3.01: POWERS

Subject to the limitation of the Restrictions, Articles of Incorporation, to the By-Laws and to 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 not be less than five (5) and not more than seven (7).

Section 3.03: ELECTION AND TENURE OF OFFICE

The Board of Directors shall be appointed by, and shall serve at the pleasure of, the Grantor, until April 25th, 2002. At the special meeting of members held on April 25th, 2002, five (5) members of the Board were elected to serve a one (1) year term. At the next annual meeting following the Special Meeting held on April 25th, 2002, five (5) members of the Board shall be elected to serve a two (2) year term 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 working day of the year following the election.

Section 3.04: COMPOSITION OF DIRECTORS

In order to avoid nepotism, no members of the Board of Directors may be from the same family or members of the same household.

Section 3.05: VACANCIES

Vacancies in the Board of Directors shall be filled 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.

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 the term of office.

Section 3.06: 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.

Section 3.07: 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 3.08: 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 3.09: 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 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 3.10: 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 telecopy, charges 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 telecopied, it shall be deposited in the United States mail 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 holding of the meeting.

Section 3.11: 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.

Section 3.12: 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, or notice is waived, and posted as required by this Article.

Section 3.13: 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 3.14: 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 3.15: 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 another 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 the 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 transaction 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

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 the 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. The Board shall make such records available to the requesting member not more than ten (10) days from the date of request.

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 an 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.

Each year, 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.

Section 6.07: INVESTMENTS

All monies received shall be deposited into a checking or savings account. Investing or trading in securities of any kind is prohibited. However, funds deemed excess to paying current obligations may be invested in a six month Certificate of Deposit (CD).

**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 as 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 real estate contract. 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: CLASSES OF MEMBERSHIP

The Association shall have one (1) class of membership. All members, including Grantor, shall be entitled to one (1) vote for each Lot owned. When more than one person or entity is an owner of any Lot, all such persons shall be members. The vote for such lot shall be exercised as such owners determine, and in no event shall such multiple Owners vote more votes than they are entitled by the lots owned.

Section 7.03: 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 or 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, the following rules apply unless the specific language of the provision provides to the contrary:

1. Whenever a vote of the members is required, it is sufficient to obtain the written consent of the same percentage of members;
2. The percentage requirement shall be a percentage of the total number of Lots and not a percentage of the number of members of the Association.

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 7.04: 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 7.05: 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 sum of 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, which shall be assess to all Owners, if approved by a two-thirds (2/3) vote of the members and approved by the Grantor so long as the Grantor owns any property within the Paradise Bluff Properties.

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 without the vote or written consent of the members. Such assessments for extraordinary capital improvements may be levied pursuant to Article 7.07.
5. The maximum maintenance assessment may be increased each year not more than a 10 percent (10%) increase above the maximum assessment for the previous year without a vote of the members holding two-thirds (2/3) of the voting power of the Association. 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.

Section 7.06: 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 thirty (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 7.07: 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 postponed 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 members holding two-thirds (2/3) of the voting power of the Association, which assessment shall be assessed to members as provided for in Section 7.05.

Section 7.08: 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-five dollars (\$25.00) 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 member 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 7.09: 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 7.10: 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 7.11: SUBJECT OF 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 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".

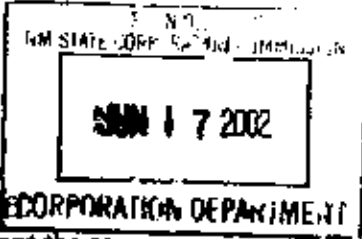
ARTICLE IX
AMMENDMENTS TO BY-LAWS

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 members entitled to exercise a sixty-six and two thirds percent (66 - 2/3 %) of the voting power of the Corporation, or by the written assent of such members, entitled to exercise sixty-six and two thirds percent (66 - 2/3 %) of the voting power of the Corporation.

Section 9.02: RECORD OF AMENDMENTS

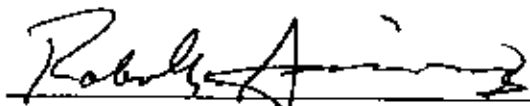
Whenever an amendment or new by-law is adopted, such amendment or new by-law shall be copied in the Book of By-Laws with the original By-Laws, in the appropriate place. If any By-Laws or By-Law is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent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



KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned being the President and Secretary of Paradise Blue Homeowners' Association hereby assent to the foregoing By-Laws, and adopt the same as the By-Laws of said Corporation.

Date: May 15, 2002.



ROBERT SIMMONS, PRESIDENT



BECKY MCDERMOTT, SECRETARY

NEW MEXICO PUBLIC REGULATION COMMISSION

COMMISSIONERS

DISTRICT 1 HERB H. HUGHES
DISTRICT 2 RORY MCMENN
DISTRICT 3 JEROME D. BLOCK
DISTRICT 4 LYNDA M. LOVEJOY
DISTRICT 5 TONY SCHAEFER



CORPORATION DEPARTMENT

1120 Paseo de Perakta/P.O. Box 1269
Santa Fe, NM 87504-1269
(505) 827-4508
1-800-947-4722

JUNE 25, 2002

PRROA

P.O. BOX 67157

ALBUQUERQUE ,NM 87193-7157

RE: PARADISE BLUFF HOMEOWNERS ASSOCIATION, INC.
SCC#1906262

THIS COMMISSION APPROVED AND FILED THE INITIAL BYLAWS ON JUNE 17, 2002 (REFERENCE #3244431) FOR THE ABOVE CAPTIONED CORPORATION; SUBSEQUENT AMENDED/REVISED/RESTATED BYLAWS MUST BE FILED IN THIS OFFICE BEFORE THEY ARE EFFEC-TIVE AS REQUIRED BY LAW. FILING FEE OF \$10.00 MUST ACCOMPANY EACH DOCUMENT AND SAID DOCUMENT MUST BE SIGNED BY THE CHIEF OFFICER AND SECRETARY.

THE REFERENCED APPROVAL DOES NOT CONSTITUTE AUTORIZATION FOR THE ABOVE REFERENCED CORPORATION TO TRANSACT ANY BUSINESS WHICH REQUIRES COMPLIANCE WITH OTHER APPLICABLE FEDERAL OR STATE LAWS, INCLUDING, BUT NOT LIMITED TO, STATE LICENSING REQUIREMENTS. IT IS THE CORPORATION'S SOLE RESPONSIBILITY TO OBTAIN SUCH COMPLIANCE WITH ALL LEGAL REQUIREMENTS APPLICABLE THERETO PRIOR TO ENGAGING IN THE BUSINESS FOR WHICH IT HAS OBTAINED APPROVAL OF THE REFER-ENCED DOCUMENT.

YOUR CANCELLED CHECK, AS VALIDATED BY THIS COMMISSION, IS YOUR RECEIPT. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CHARTERED DOCUMENT DIVISION AT (505) 827-4511 FOR ASSISTANCE.

CHARTERED DOCUMENT DIVISION
RPR



Paradise Bluff Homeowners Association
P.O. Box 67157 • Albuquerque, NM 87193-7157

May 15, 2002

Public Regulation Commission
1120 Paseo de Peralta, Pera Bldg. Rm. 413
PO Drawer 1269
Santa Fe, NM 871504-1269

Dear Sir or Madam:

Please find enclosed a copy of the bylaws adopted by the Paradise Bluff Homeowners Association (SCC Number 1906262). We have been incorporated since 1997 however a set of bylaws have never been filed with the State of New Mexico. The enclosed bylaws along with the change of registered agent/address and the supplemental form that was recently submitted should bring our organization to good standing. If you have any questions, please feel free to call me (505-897-3882).

Respectfully,

Becky McDermott
Secretary of Paradise Bluff Homeowners Association

