



Bylaws 1998

AMENDED BYLAWS
OF
LA LUZ LANDOWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

The following words when used in these Bylaws, or any amendment thereof, have these meanings:

- (1) Meanings of the following words are established by Article II of the Declaration, which will govern these Bylaws:
 - (a) "Annual Assessment" as the Assessment for an Assessment Year.
 - (b) "Assessment" as the Annual Assessment or a Special Assessment.
 - (c) "Assessment Year" as the Association's fiscal year.
 - (d) "Association" as the La Luz Landowners Association.
 - (e) "Board" as the Board of Directors.
 - (f) "Common Area" as the Common Area.
 - (g) "Costs" as charges attached to delinquent accounts of Members.
 - (h) "Declaration" as the "First Amended and Restated Declaration of Planned Residential Community".
 - (i) "Implied Consent" as the provision applied when a Member fails to cast a vote.

NOTE: These Bylaws were approved along with the First Amended and Restated Declaration of Planned Residential Community, filed with the Bernalillo County Clerk on December 2, 1998, Book 9819, Page 3461, and will become effective on December 3, 2001.



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- (j) "Living Unit" as the single family dwelling and appurtenant structures.
 - (k) "Member" as a Member of the Association.
 - (l) "Procedures" as promulgated by the Board.
 - (m) "Property" as the real property subject to the Declaration.
 - (n) "Regulations" as promulgated by the Board.
 - (o) "Reserves" as certain funds owned by the Association.
 - (p) "Special Assessment" as an Assessment besides the Annual Assessment.
 - (q) "Special Charge" as a charge or expense that may not apply to all Members.
 - (r) "Supplemental Declaration" as an amending instrument to the Declaration.
- (2) The meanings of the following words are also used in these Bylaws:
- (a) "Annual Meeting" refers to the Annual Meeting of the Members.
 - (b) "Annual Meeting of the Board" refers to the first meeting of the Board of Directors held immediately following the Annual Meeting of the Members.
 - (c) "Articles" means the Articles of Incorporation of the Association.
 - (d) "Public Meeting" means a meeting to which all Members are invited by the Board or a Standing Committee, at which community issues are presented and discussed.
 - (e) "Resolution" means an act by the Board or the Association establishing policy.
 - (f) "Small Public Meetings" means several meetings in each of which part of the total membership is invited by the Board or a Standing Committee to participate, at which community issues are presented and discussed.

ARTICLE II

MEMBERS

Section 1. MEMBERSHIP.

(A) The rights of membership are: (i) use of Common Areas, (ii) voting, and (iii) participation in Association affairs. Any Member whose membership rights have not been suspended may extend the right of use of the Common Area to the persons in the Member's family who reside on the Property, or to tenants residing in the Living Unit owned by the Member. The Member will notify the maintenance manager, or the person designated in a Regulation issued by the Board, of the name, address and relationship of any person to whom the rights of use have been extended. The Board may suspend or terminate the right of use of the Common Area by that person to whom the Member has extended those rights.

(B) A Member's membership rights will be suspended when any condition in the Declaration requiring suspension applies, and as other provisions of the Articles, these Bylaws and Regulations may provide, and require no formal Association action. However, such suspension will not relieve or release the Member from any liability or obligation, or impair any rights or remedies the Association may have, directly or indirectly, against the Member.

Section 2. MEETINGS. The Annual Meeting of Members will be held each year in the Albuquerque metropolitan area in the month established by a Procedure issued by the Board and included in an annual Notice sent to each Member showing the date, the time and the place fixed by the Board. Special meetings of the Members will be held at the time and place fixed by the President, and may be called by any Officer, or two Directors, or by Members having the right to cast one quarter (1/4) of the votes of the



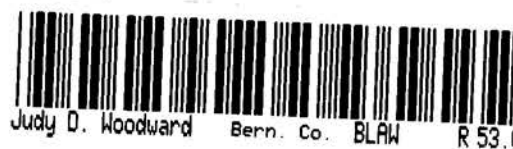
Association, on a Notice sent to each Member. No business other than that stated in the Notice will be transacted at a Special Meeting. Unless the Declaration, the Articles or these Bylaws require a different time, the Notice of a Members' Meeting will be sent at least ten (10) days before the Meeting.

Section 3. VOTING RIGHTS. The Association will have one class of voting membership. All Members will have one vote for each Living Unit in which they hold the interests required for membership in the Association. When more than one person or entity holds such an interest in a Living Unit, all will be Members, and the vote for the Living Unit will be exercised as they among themselves determine, but no more than one vote may be cast with respect to any Living Unit.

Section 4. QUORUM and ACTION. The presence at a Meeting in person or by proxy of Members entitled to cast one tenth (1/10) of the total number of votes allowed by Section 3 of this Article will constitute a quorum for action unless a different quorum is required by law, the Declaration, the Articles or these Bylaws. A quorum once attained continues until adjournment despite withdrawal of enough Members to leave less than a quorum. At a meeting at which a quorum is present, unless a greater vote is required by law, the Declaration, the Articles or these Bylaws, the action of Members will require a majority of votes present in person or by proxy, including those votes resulting from Implied Consent when it is applicable.

Section 5. PROXIES.

(A) A Member may, by proxy, delegate to another Member or to a resident who holds the qualifications to serve on the Board as specified in Article III, Section 2 of these Bylaws, that Member's right to cast at a Members' meeting one or more of the votes that the Member would be entitled to cast at the Meeting. The delegated right to vote by proxy entitles the proxy holder to attend and participate in the Meeting at which the proxy



may be voted. A proxy must be in writing, dated, signed by each Member entitled to cast the vote from that Living Unit, and filed with the Secretary on a date before the appointed date of the Meeting, as specified in a Procedure adopted by the Board. No proxy will extend beyond a period of eleven (11) months, unless otherwise provided in the proxy. Every proxy automatically terminates upon termination of the membership of the Member granting the proxy, and also terminates when the status of the person holding the proxy no longer qualifies as a proxy holder. A proxy is revocable, despite any provision in the proxy to the contrary, after receipt of notice of revocation by the person presiding over the meeting from the Member who granted the proxy, until the moment of declaration that a quorum is present.

(B) The Board may seek proxies, delegating to its Secretary and, as an alternate, one other Director, the right to cast at a Members' Meeting one or more of the votes the Member would be entitled to cast at the Meeting. The Board's proxy form will delineate accurately the topics specified by the Notice of the Meeting that are to be voted upon, provide for an indication by the Member of how the Member's vote is to be cast for each topic individually, or, in the alternative, that the vote is to be cast for the Member by the proxy holder. The Board's proxy will provide for its retraction by the Member as for other proxies not sought by the Board. Should another proxy appear for the same Member to provide instructions on the same topic as the Board's proxy, the Board's proxy will take precedence.

(C) The Secretary may, at his or her discretion or as directed by the Board, review proxies as they are received before the appointed date and time of the applicable Meeting for the purposes of seeking to resolve any apparent conflicts and errors appearing on the proxies by contacting the Members granting such proxies and obtaining replacement proxies as needed by the Member granting the proxy.

Section 6. RESCISSION OF REGULATION. Except for (i) matters pertaining to budgets and Assessments and (ii) enforcement of liens and actions of the Board related to



violation by a Member or Members of the Declaration, the Articles, the Bylaws and/or Regulations, Members may take action to stay a Regulation of the Board, if, within thirty (30) days of the publication of the Regulation, Members representing one quarter (1/4) of all the votes in the Association file with the Secretary a written objection thereto, whereupon all action pertaining to the challenged Regulation will be stayed for sixty (60) days during which period the Board will: (i) rescind the Regulation that is challenged; or (ii) negotiate an acceptable position with the Members submitting the objection; or (iii) submit the disputed Regulation to a vote of the Association. If the disputed Regulation is submitted to a vote of the Association, twenty (20) days prior written Notice will be given, and the Regulation will be sustained if Members voting in person, by proxy or by ballot, and representing a majority of all Living Units for which votes are cast, approve the Board's Regulation. If the Board is not supported by a majority of all votes cast, or if the Board fails to take action during the sixty (60) day period after the filing of the objection, the Board's Regulation will be deemed rescinded.

ARTICLE III

BOARD OF DIRECTORS

Section 1. NUMBER AND TENURE. The initial Board under these Bylaws will consist of the Directors nominated and voted into office under the provisions of the Bylaws which these Bylaws replace. Members of this initial Board will serve for the terms of their respective class defined under the previous Bylaws or until their successors are elected and qualified. The Directors will then be in three classes, one with a tenure of one year, one with a tenure of two years, and one with a tenure of three years as provided by the previous Bylaws and continued under these Bylaws. Thereafter the Board will continue to consist of nine Directors, three of whom will be elected annually by the Members prior to their Annual Meeting for a three-year term.



Section 2. QUALIFICATION; TENURE; REMOVAL; VACANCIES.

(A) Qualification. Each Director will be: (i) a Member; (ii) a person in the household of a Member; (iii) a grantor or a trustee of a trust which is a Member, or the personal representative or conservator of an estate which is a Member, or a person in the household of such a grantor, trustee, personal representative or conservator; or (iv) a long-term (as defined by the Board) renter or a person in the household of such a renter. However, the Director will be twenty-one (21) years of age or older and will be in residence at La Luz for more than two hundred fifty (250) days in each calendar year during which said directorship is held by such a person. The Board will make Regulations or establish rules for deciding what persons qualify as household members in unusual cases or where uncertainty exists.

(B) Tenure. A Director will hold office until his or her successor is elected and installed. If a successor to a retiring Director has not been elected and qualified when the retiring Director's term of election or appointment ends, the retiring Director will remain as a Director for a period not to exceed thirty (30) days, when the Board will appoint a Director to that seat and accept the resignation or retirement of the retiring Director.

(C) Removal. A Director may be removed with or without cause by the majority vote of all Directors, or may resign. If a Director is absent from three consecutive Regular Meetings of the Board, the Board may remove the Director.

(D) Vacancies. Vacancies and newly created directorships may be filled by approval of a majority of Directors then in office, and a Director appointed with such approval will serve for the remainder of the unexpired term.

Section 3. MEETINGS.

(A) The Annual Meeting of the Board of Directors will be held without notice immediately following the Annual Members' Meeting. The Board will establish and provide a schedule to all Members of Regular Board Meetings held without notice.



Special Meetings of the Board of Directors will be held at the time and place fixed by the President, and may be called by any Officer or by any two Directors on Notice given to each Director at least three days before the Meeting. Presence in person of a majority of the Directors then in office will constitute a quorum which, once attained, continues until adjournment despite withdrawal of enough Directors to leave less than a quorum.

(B) Regular and Special Board meetings, not to include executive sessions, may be attended by any Member. Members attending Board meetings must have the presiding Officer's permission before speaking to a matter being considered by the Board.

(C) Minutes of the proceedings of Board meetings, Regular and Special, and of any Committee having any of the authority of the Board, will be kept and made available to any Member, or his or her agent or attorney, for any proper purpose at any reasonable time.

(D) The Board may adopt Procedures governing the conduct of its meetings and of the meetings of those Committees it may designate.

(E) By a majority vote of those present and voting, the Board may declare part of its current meeting, or may designate a future meeting, as an executive session. Such executive session may be invoked to discuss such topics, including but not restricted to, personnel matters, conflicts among Members or among Members and Association employees, procurement actions or other matters considered sensitive. Members cannot be present when the Board is in an executive session unless invited by the Board to address the subject of the session. However, the Board will take an official vote on any matter only in an open meeting and not in an executive session.

Section 4. PROXIES. A Director may submit a proxy to be voted by the Secretary or another Director at a Regular or Special meeting of the Board. A proxy is valid only for a specific issue described in the proxy. The proxy must be dated and signed and will be valid for only thirty (30) days beyond the date of the proxy. No proxy will be counted toward the constitution of a quorum.



Section 5. ACTION. The Directors will manage the Association, and may act only as a Board with each Director having one vote. Except as otherwise provided in the Declaration, the Articles or the Bylaws, the action of the Board will be: (i) the action of a majority of Directors present in person or by proxy at a meeting at which a quorum is present; or (ii) in the absence of a meeting, the action of all of the Directors assented to in writing, or the action of all of the Directors entitled to cast a vote with respect to the subject matter assented to in writing.

Section 6. NOMINATION AND ELECTION. The Members will elect Directors in the following manner, detailed Procedures for which may be described in a Resolution adopted by the Board:

(A) At least twenty (20) days before each Annual Meeting of Members at which the results of balloting of Directors is to be announced, the Nominating Committee will nominate as many persons for Directors as it wishes, but not less than the number of directorships to be filled at the Members' Meeting.

(B) The nominations will be given to the Secretary who will prepare a ballot describing the vacancies to be filled, setting forth the names of those nominated by the Nominating Committee for such vacancies, and containing a space for a write-in vote by the Members for each vacancy. The ballots will be mailed by the Secretary to the Members, or to the holders of any proxy on file, at least fourteen (14) days before the date set forth therein for the return of the ballot; that return date may not be later than the day before the Meeting.

(C) Each Member or proxy holder will receive one ballot for each vote the Member or a proxy holder is entitled to cast (voting as specified in Article II, Section 3); only one vote may be cast for each office on one ballot. The Member or proxy holder will cast one vote for each directorship to be filled and will place the completed ballot in a sealed envelope marked "Ballot," but not marked in any other way; each "Ballot" envelope



may contain only one ballot, and the inclusion of more than one ballot or any other material in any one "Ballot" envelope will disqualify all ballots in that "Ballot" envelope. All "Ballot" envelopes containing ballots which the Member or proxy holder is entitled to complete will be placed in a "Member's" envelope which will bear on its face the name and signature of the Member or proxy holder, the number of ballots being returned, and other information as the Board may require to decide the right of the Member or proxy holder to cast the votes on the ballot. The "Member's" envelope may include other material, such as a proxy being submitted for the election of Officers or proxies for other topics submitted to the Members for their vote, in addition to the "Ballot" envelope. When other topics are being submitted to the Members for their vote, mailings and Notices sent by the Secretary need to consider the longest advance time required by the several actions, as detailed in the Declaration, the Articles and these Bylaws.

(D) The "Member's" envelope will be returned to the Secretary who will place it unopened in a safe place. The Board will establish a Procedure setting a day for opening ballots that is before the Members' Meeting at which the elections are to be announced. On that day the "Member's" envelopes will be delivered unopened, to an Election Commission consisting of five Commissioners appointed by the Board which will open the "Member's" envelopes in the presence of the Secretary or an appointed substitute and, in a way that does not reveal a Member's vote, establish that:

- (i) the number of "Ballot" envelopes corresponds to the number of votes allowed to the Member or a proxy holder identified on the "Member's" envelope containing them; and
- (ii) the signature of the Member or proxy holder on the "Member's" envelope is genuine. The material in the "Member's" envelope that is in addition to the "Ballot" envelope will be immediately delivered to the Secretary while the Election Commission retains the "Member's" envelope; and



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- (iii) if the vote is by a proxy holder, a proxy has been filed with the Secretary and is valid.

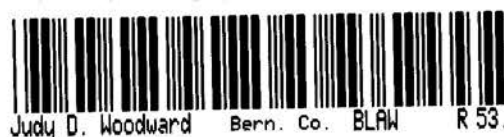
(E) The "Member's" envelopes will be placed in a safe place, and the Election Commission will open the "Ballot" envelopes, and count the votes on a day designated by the Board. If any "Ballot" envelope is unsealed, torn so that the contents are accessible, or contains more than one ballot or additional material, all such ballots will be disqualified and not counted. The names receiving the largest number of votes will be elected as Directors, and the announcement of the elected Directors will be made at, and not revealed before the Members' Meeting. The ballots, "Ballot" envelopes, and "Member's" envelopes will be destroyed immediately after the Meeting unless a review of the election is demanded at the Members' Meeting. If there is a tie vote for any Director's seat, the Director to fill that seat will be determined by a Procedure established by the Board.

Section 7. POWER, AUTHORITY AND DUTIES.

(A) The Board will have all power and authority necessary to adopt by Resolutions those Regulations and Procedures that it deems advisable for the maintenance, conservation and care of the Property, and for the health, comfort, safety and general welfare of Living Unit owners and occupants and the Association's employees; and to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the Members in the Declaration, the Articles, or these Bylaws.

(B) The Board will keep a complete record of all major corporate affairs and will present a statement thereof to the Members at the Annual Meeting, or at any Special Meeting when requested in writing by one fourth (1/4) of the voting membership, and will supervise all Officers, agents and employees of the Association to see that their duties are properly performed.

(C) The Board will establish the policy by which Regulations are proposed, reviewed, adopted, published and carried out. A Regulation will be adopted by a



Resolution of the Board at a successive meeting twenty-one (21) days or more following that meeting at which the final draft of the Regulation was consideration. The Board may, at its discretion, hold a Public Meeting or several Small Public Meetings during its consideration of a Regulation. In an emergency, described in the introduction to the Regulation, the Board may adopt, and put into immediate effect, a Regulation at the same meeting at which it was first proposed.

(D) Written Notice, giving the full written text of each adopted Regulation, will be delivered to all Members and, as determined by the Board, may be delivered to others.

(E) The Board may approve an authorization of funds for a capital acquisition that is consistent with Assessments, both Annual and Special. The Board, at its discretion, but consistent with the purpose of the Reserves as stated in the Declaration and Bylaws, may decide on which of the accounts of the Association's funds will be used for the acquisition.

ARTICLE IV

OFFICERS

Section 1. NUMBER; QUALIFICATIONS; TENURE; REMOVAL; VACANCIES.

(A) Number. The Officers of the Association will be a President, a Vice President, a Secretary, a Treasurer and other Officers as the Board may choose, each of whom will be elected annually by the Board at its Annual Meeting.

(B) Qualification. Each Officer must be qualified to hold office in the same way as a Director, as described in Article III, Section 2 of these Bylaws. The President and the Vice President must be Board members, unless he or she is serving in continuation for thirty (30) days with no successor as specified in paragraph (C), "Tenure," below.

(C) Tenure. Each Officer will hold office until his or her successor is elected and installed. If an Officer is retiring from a term of election or appointment on the Board or from election as an Officer and a successor to that office has not been chosen, that Officer



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will remain in that office for a period not to exceed thirty (30) days, when the Board must elect a new Officer and accept the resignation or the retirement of that Officer. During that thirty (30) day period the Officer will function in an administrative capacity, but that Officer will have no vote on the Board unless that Officer is continuing as a Board member.

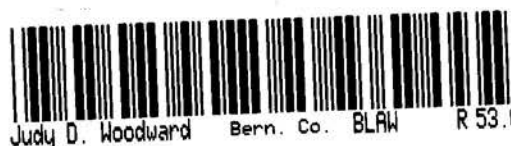
(D) Removal. An Officer may be removed from that office with or without cause by the Board, or may resign.

(E) Vacancies. Vacancies and newly created offices may be filled by the Board.

(F) Miscellaneous. One person may not hold more than one office. Officers will perform the duties and have the powers provided in these Bylaws, those assigned by the Board and those stipulated through Regulations adopted by the Board.

Section 2. **PRESIDENT AND VICE PRESIDENT.** The President, or the Vice President during the absence, disability or failure to act of the President, will be the chief executive officer of the Association, will preside at all meetings of the membership and of the Board, will appoint all Standing and Special Committees and their respective chairpersons, when authorized will execute and deliver documents in the name of the Association and will have executive authority as granted from time-to-time by Resolution of the Board, but such authority will be consistent with the Nonprofit Corporation Law of the State of New Mexico, the Declaration, the Articles and the Bylaws. The President will have the final responsibility for maintaining a sound cash flow and keeping spending within budgetary limits.

Section 3. **SECRETARY.** The Secretary, or a person appointed as an assistant secretary during the absence, disability or refusal to act of the Secretary, will have charge of the Seal and have the responsibility of supervising the maintenance of the minute books, membership roll of the Association, proxies, delinquency records and all corporate files other than financial; will keep the minutes of all meetings; will cause all required Notices



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to be sent; will validate all quorum requirements and voting tallies at membership and Board meetings and will validate all balloting except that specified to be done by the Election Commission; when authorized will execute, attest, deliver and seal documents of the Association; will perform other duties as specified in Article VII of these Bylaws; and will perform all duties incident to the office of Secretary of the Association.

Section 4. **TREASURER.** The Treasurer, or a person appointed as an assistant treasurer during the absence, disability or refusal to act of the Treasurer, will have responsibility: for all funds, property, books of account, computerized financial files and other financial files of the Association; for keeping strict account of property received, owned, and disbursed by the Association; for preparation and distribution of all financial statements; and for the deposit of all monies and valuable effects of the Association; and for other duties as specified in Article VI of these Bylaws.

ARTICLE V

COMMITTEES

Section 1. **STANDING COMMITTEES.** The Standing Committees of the Association will be:

- (a) **THE NOMINATIONS COMMITTEE** which makes nominations for Directors as set forth herein.
- (b) **THE RECREATION COMMITTEE** which will have charge of all social functions and advise the Board on all matters pertaining to the recreational program and activities of the Association.



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- (c) THE MAINTENANCE COMMITTEE which will advise the Board on all matters pertaining to the maintenance, repair or improvement of the Common Area, property, facilities and equipment owned by the Association.
- (d) THE ARCHITECTURAL COMMITTEE which will have the responsibilities described in the Declaration, and will watch for and advise the Board on any architectural proposals, programs, or activities that may adversely affect the residential value of the Property.
- (e) THE PUBLICITY COMMITTEE which will inform the Members of all activities and functions of the Association, and at the direction of the Board will make announcements or deliver Notices to the Members.
- (f) THE FINANCE COMMITTEE which will supervise the annual audit of the Association's books, the preparation of the annual budget and the yearly financial statement to be presented to the Membership. The Treasurer will be the head of the Finance Committee.
- (g) THE LANDSCAPE COMMITTEE which will advise the Board on all landscaping matters, including but not limited to, making recommendations on the installation, maintenance and removal of plantings.
- (h) THE EXTERNAL AFFAIRS COMMITTEE which will advise the Board on city and county activity and all matters pertaining to activity, development and planning in the La Luz neighborhood that would impact Members, Living Units and the Association.

Section 2. PERSONNEL; TENURE.

(A) Each Standing Committee will consist of three or more committee members, one of whom must be a Director. The Board will appoint a Director to each Standing Committee to be the liaison representative to the Board for that Committee. The Standing Committees and the respective Committee chairpersons will be appointed by the President

within thirty (30) days after the Annual Meeting and will each serve until a new Standing Committee and chairperson are constituted after the following Annual Meeting. The President may appoint Special Committees and respective chairpersons when deemed necessary or advisable. The Board may adopt Procedures further defining the purpose, responsibilities of the Committees and interactions among the Committees and the Board.

(B) A written announcement will be sent to all Members showing the composition of the Committees after the reconstitution of the Committees following each Annual Meeting and whenever there is a change in the chairperson of any Committee.

Section 3. ACTION. The action of a majority of members of a Committee as described in its minutes will be the action of the Committee. The Board may, by a majority vote of those present in person and proxy at a Board meeting, override a decision of any Committee. Each Committee given an approved budgetary expenditure for any Assessment Year, will have the responsibility not to exceed that budgetary allotment. The Board may approve a Committee's request to exceed a budgetary allotment for an Assessment Year.

Section 4. SUBCOMMITTEES. Except the Nominations Committee and the Architectural Committee, each Committee may appoint a subcommittee from among its membership, any may delegate to the subcommittee any of its powers, duties and functions.

Section 5. COMPLAINTS. Each Committee will receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It will dispose of such complaints as it deems appropriate, including referring them to any other Committee, Director or Officer of the Association as is further concerned with the matter presented, or to the Board.

Section 6. **INACTIVE STATUS OF COMMITTEES.** During any Assessment Year the Board may, by a two thirds (2/3) approval of all Directors, place one or more of the following Committees on an inactive status: Recreation Committee, Landscape Committee or External Affairs Committee. A Committee so placed on inactive status, will automatically be activated at the beginning of the next Assessment Year unless the Board again by a two thirds (2/3) approval of all Directors places such Committee on the inactive status. During any period of inactive status declared by the Board, the Board will have full responsibility for all of the duties of each such Committee.

ARTICLE VI

FINANCIAL MATTERS

Section 1. **FUNDS.** The depository for Association funds, the persons entitled to draw against those funds and the manner of accomplishing these matters will be determined by the Board and stated in appropriate Procedures.

Section 2. **BORROWING.** Borrowing will be done according to the Declaration when real property is used to secure the loan and the total contractual monetary liability is equal to or less than twice the current Annual Assessment at the time of application for the loan, or following the Articles when the total contractual monetary liability is greater than twice the current Annual Assessment at the time of application for the loan. When these conditions do not apply, decisions to borrow for the Association may be approved by two thirds (2/3) of all Directors in office. The Board will define in appropriate Procedures the manner of accomplishing all loans, and will determine the persons entitled to borrow and sign for the Association.



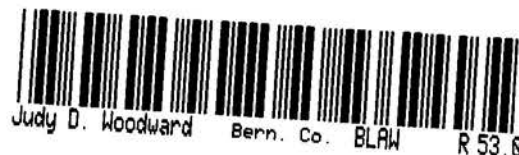
Section 3. **COMPENSATION AND PECUNIARY BENEFIT.** No Member, Director or Officer will receive, directly or indirectly, any of the net earnings of the Association, or any of the assets of the Association upon dissolution, or any other pecuniary benefit from the Association, except that they may be reimbursed from corporate funds upon proper documentation for expenses incurred for the Association, and may receive compensation for services rendered. By Resolution the Board may establish compensation for services for Officers, agents and employees of the Association, and may require any of them to post appropriate security. The Association may employ and compensate any Member, Director or Officer despite their status as such.

Section 4. **RECEIPTS AND DISBURSEMENTS.**

(A) The Treasurer will be responsible for supervising all receipts and disbursements of the Association. All receipts and monies will be deposited in appropriate bank accounts approved by Resolution by the Board. Disbursements of Association funds will either be done as directed by Resolution of the Board, or without a Resolution of the Board when done in the ordinary course of business conducted within the limits of a budget adopted by the Board.

(B) The Board may, by appropriate Resolutions, give the President power to make discretionary disbursements or minor changes to the budget, all within prescribed limits, in the course of ordinary business.

(C) Disbursement from the Reserves will require a minimum of two (2) signatures, and the Board may set a level of disbursement from other Association funds which requires more than one signature. The President and the Treasurer will each be one of the several persons authorized by Resolution of the Board to sign checks and notes of the Association. Only Board members or Officers will be authorized to sign checks and notes of the Association.



Section 5. FINANCIAL STATEMENTS AND RECORDS. The Treasurer will supervise, following Resolutions made by the Board, the keeping of proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. The Treasurer will have responsibility for causing a monthly audit of the Association's financial books of account, which will include reviewing receipts, disbursements, invoices and check books for consistency. The Treasurer will have the responsibility for the preparation of the annual budget and will cause a statement of account of the Association, as defined by a Resolution, or a balance sheet for the Association to be presented to the membership at its Annual Meeting.

Section 6. BUDGETS. The Board will approve and adopt for each fiscal year an annual budget, consistent with the Annual Assessment and any Special Assessment which might exist, and may consider income from Special Charges. If an annual budget is not established for any fiscal year, the annual budget for the preceding fiscal year will be in effect until modified by the Board.

Section 7. RESERVES. The Treasurer will cause an annual review of the Reserves to evaluate the adequacy of those funds to fulfill their function as required in the Declaration, using Procedures as defined by a Resolution of the Board.

Section 8. INSURANCE AND LIABILITY. The Association, as determined by the Board, will carry insurance in no fewer than the following categories, each with its minimum amount in its respective category: (i) physical damage to the Association's buildings or property, a minimum of ninety percent (90%) of the full insurable replacement cost; (ii) general business comprehensive liability, a minimum of five million dollars (\$5,000,000); (iii) general aggregate liability, a minimum of ten million dollars (\$10,000,000); (iv) directors and officers liability insurance for those acting on behalf of

the Association, a minimum of one million dollars (\$1,000,000); and (v) a fidelity bond for dishonest acts of employees, Officers, Directors or those acting on behalf of the Association, a minimum of one hundred percent (100%) of the value of the Reserves existing on the renewal date of the insurance policy.

ARTICLE VII

SEAL AND RECORDS

(A) The Board may, but need not, adopt a form of seal to be used by the Association.

(B) The Secretary will be responsible for the establishment and maintenance of a Membership Roll which will show the name and address of each Member; the name and address of each person to which a Member has extended the right to use the Common Area; the name and address of each proxy holder; the signature of each Member and proxy holder; the amount and payment status of the Assessments levied against the Member's Living Unit; and any suspension of membership rights, showing the duration of suspension. Each Member and proxy holder will provide the Secretary with any of the information required for the Membership Roll.

(C) The books, records and papers of the Association will always be open to inspection by the Members, Directors and Officers during reasonable business hours.

(D) Resolutions will be maintained in a Book of Resolutions, indexed for ease of retrieving, and codified every five years.



ARTICLE VIII

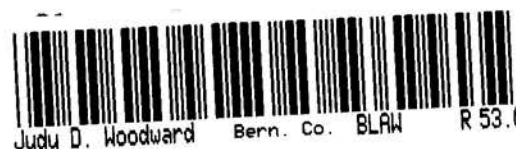
NOTICE AND WAIVER OF NOTICE

Any Notice of Meeting will state the time, place, and, if a Special Meeting, purpose, of the meeting. Any Notice will be sent in accordance with the Declaration. Any Notice will be considered waived by the person who waives the Notice in writing before or after the Meeting, or who appears at a meeting in person for any reason other than contesting the validity of the call of the meeting. Failure to receive a Notice will not affect the validity of the Meeting involved.

ARTICLE IX

INDEMNITY

The Association will indemnify each Member, Director, Officer and Committee member of the Association, and their heirs, legal representatives, successors-in-interest, and assigns, against expenses and liabilities reasonably incurred concerning any action, suit or proceeding in which the Member, Director, Officer, or Committee member is involved or made a party due to being or having been such, except in relation to matters about which the person to be indemnified has acted wantonly and recklessly or with willful malfeasance in the performance of duty to the Association. This right of indemnification will not be exclusive of other rights to which any Member, Director, Officer, or Committee member may be entitled as a matter of law and will include reimbursement of any reasonable amount. Expenses paid or incurred in settling any such action, suit or proceeding when such settlement has been approved by the Board, will also be included in this right.



Judy D. Woodward

Bern. Co. BLAW

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ARTICLE X

EXEMPT ACTIVITIES AND PROHIBITED TRANSACTIONS

No Member, Director, Officer, or Committee member of the Association will take any action, or carry on any activity, or exercise any corporate power, by or for the Association, which is not in furtherance of its tax exempt purposes and permitted to be taken, or carried on, or exercised, by an organization exempt under Section 501 (C) (7) of the Internal Revenue Code and its regulations as they now or hereafter exist.

ARTICLE XI

CONFLICTS OF INTEREST

No transaction of the Association will be affected because a Member, Director, Officer or Committee member of the Association is interested in the transaction as long as such transaction is conducted, after full disclosure, at arms length and in good faith, and is not a violation of the Declaration, the Articles, and these Bylaws. 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 person's profits, or the Association's losses from the transaction. If a majority of Board members voting, in person or by proxy, at a Board meeting perceive a real conflict of interest, or the appearance thereof, for a Director, Officer or Committee member in a certain matter, the Board may recuse that person from participating in that action or transaction.



Judy D. Woodward

Bern. Co.

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ARTICLE XII

AMENDMENTS; PRECEDENCE

(A) These Bylaws may be amended, with Members given thirty (30) days Notice, by the consent of Members representing a majority of all Living Units, with the Implied Consent provision applied.

(B) The provisions of these Bylaws which are governed by the Declaration and the Articles may not be amended except as provided in the Declaration, the Articles or these Bylaws. If there are conflicts among the governing documents, the Declaration prevails over the Articles and these Bylaws, and the Articles prevail over these Bylaws.

(C) These Bylaws have been approved by the Association at the same time as the Declaration, will be filed with the State Corporation Commission, and will be effective on the Effective Date of the Declaration as defined in the Declaration.

Dated 28th November, 1998

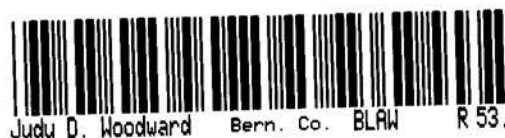
I certify that these Bylaws have met the notification requirements and been approved by the Association according to the original Bylaws dated February 10, 1969.

La Luz Landowners Association

By

Carolyn Christy

Secretary



Judy D. Woodward

Bern. Co.

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STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on this 16th day of January, 1999, by Carolyn A. Christopher, Secretary of La Luz Landowners Association.



OFFICIAL SEAL
THEODORE S. CHURCH
NOTARY PUBLIC-STATE OF NEW MEXICO

My Commission Expires 3 May 2000

Theodore S. Church
Notary Public

My Commission Expires:
3 May 2000

and By
La Luz Landowners Association
N. Lynn Perls
President

STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on this 17th day of January, 1999, by N. Lynn Perls, President of La Luz Landowners Association.



OFFICIAL SEAL
THEODORE S. CHURCH
NOTARY PUBLIC-STATE OF NEW MEXICO

My Commission Expires 3 May 2000

Theodore S. Church
Notary Public

My Commission Expires:
3 May 2000



Judy D. Woodward

Bern. Co.

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