

FIRST REVISION OF THE AMENDED BYLAWS OF LA LUZ LANDOWNERS ASSOCIATION

La Luz Landowners Association, a New Mexico nonprofit corporation (hereinafter called the Association), by its President and Secretary, hereby declares that:

On November 7, 2003, a written ballot of all members was conducted according to Article XII Amendments; Precedence of the Amended Bylaws of La Luz Landowners Association and Article III Membership and Voting Rights in the Association of the First Amended and Restated Declaration of Planned Residential Community.

This ballot properly approved, with the required majority vote, the replacement of Article IX Indemnity of the Amended Bylaws of La Luz Landowners Association with the following wording:

ARTICLE IX

INDEMNITY

Section 1. INDEMNIFICATION. Subject to the limitations contained herein and under applicable laws, the Association shall indemnify (a) each Director or former Director of the Association, (b) each Officer or former Officer of the Association, (c) the Manager or former Manager of the Association, (d) each member or former member of a Standing Committee of the Association, and (e) each such person's legal representatives and/or successors in interest of whatever kind (each person listed in items (a) through (e) hereinafter collectively referred to as the "Indemnity") against reasonable expenses, costs and attorney's fees in connection with the defense of any action, suit or proceeding, civil or criminal, in which an Indemnitee is made party by reason of being or having been a Director, Officer, Manager or member of a Standing Committee of the Association. The indemnification provided hereunder may include any amounts paid to satisfy a judgment or binding liability determined or to compromise or settle a claim.



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Section 2. LIMITATIONS. Notwithstanding the foregoing, the Association shall have no duty to indemnify any Indemnitee under the following circumstances:

(A) Willful Misconduct or Recklessness. The Association shall have no duty to defend an Indemnitee where 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. However, the Board, by a majority vote of all Directors, may in its discretion, provide advance indemnification for reasonable expenses to be incurred in connection with the defense of any action, suit or proceeding; provided that the Indemnitee must reimburse the Association if it is subsequently determined in any proceeding that the conduct of the Indemnitee constitutes willful misconduct or recklessness.

(B) Insurance or Other Indemnification. The Association shall have no obligation to provide indemnification to an Indemnitee where a defense and/or indemnification is provided through Association insurance, other insurance or other applicable indemnity agreement. The Article IX neither expands nor diminishes any coverage or indemnification that may be available under any applicable insurance policy or indemnity agreement. It is the intent of this Article IX that the Association's obligation to provide indemnification applies only where indemnification is not afforded through insurance or other applicable indemnity agreements. To the extent that an Indemnitee receives reimbursement through insurance or otherwise for expenses and costs incurred by the Association in fulfilling its indemnity obligations under this Article IX, the Indemnitee shall reimburse the Association on a dollar for dollar basis.

(C) Claims by Association. The Association shall have no obligation to provide indemnification to an Indemnitee for any claims (whether denominated as a claim, counter claim, cross claim or otherwise) by the Association against the Indemnitee. Subject to the limitations and conditions in this Article IX, the indemnification provisions hereunder shall apply with respect to individual claims between and among Indemnities.

(D) Limit on Indemnification for Single Indemnitee. The Association's obligation to provide indemnification to any individual Indemnitee is limited to



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not more than ten thousand dollars (\$10,000.00), plus applicable gross receipts tax, inclusive of all attorney's fees, costs, expenses and payment of any settlement, judgment or binding liability determination, incurred with respect to any single action, suit or proceeding.

(E) Aggregate Limit on Indemnification. The total aggregate dollar limitation for indemnification under this Article IX for payment of all attorney's fees, costs, expenses and payment of any settlement, judgment or binding liability determination shall not exceed thirty thousand dollars (\$30,000.00), plus applicable gross receipts tax, in any twelve (12) month period, regardless of the number of indemnities, actions, suits or proceedings.

Section 3. CONDITIONS TO INDEMNIFICATION. As a condition to indemnification under the provisions of this Article IX, the Indemnitee shall:

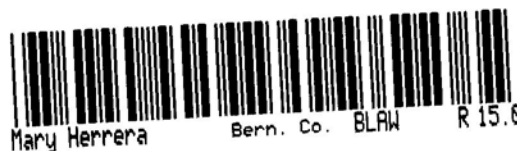
(A) Deliver to the President or Acting President and the Secretary or Acting Secretary of the Board a full and complete copy of any written notification of any claim or potential claim against the Indemnitee within seven (7) days following receipt of such notification by the Indemnitee. The Board, in its discretion, may grant an extension for the delivery of written notification for good cause shown.

(B) Cooperate in providing proper notice of any claim or potential claim to any insurance carrier or other entity under any applicable insurance policies or other indemnity agreements.

(C) Agree to be represented by a reputable attorney or law firm selected by the Board, in its sole discretion, and/or selected by the Association's insurance carrier pursuant to any applicable policy of insurance. An Indemnitee shall have the right, at his or her sole expense, to hire independent counsel.

(D) Cooperate in the defense of any claim or potential claim.

This revision of the **Amended Bylaws of La Luz Landowners Association** supersedes the previously filed Article IX Indemnity section located on page 21(#5181538) of the document numbered #1999021718 with the Bernalillo County Clerk's Office on February 18, 1999 at 10:08 AM in book 9903, page 1660.



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DATED: December 3, 2003.

LA LUZ LANDOWNERS ASSOCIATION

by Bennett King
Bennett King
Its President

ATTEST:

by _____
Karen Carruthers
Its Secretary

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

The foregoing instrument was acknowledged before me this 3rd day of December, 2003, by Bennett King, President of the La Luz Landowners Association, a New Mexico nonprofit corporation on behalf of said corporation.

R.K. Barlow
Notary Public



OFFICIAL SEAL
R.K. BARLOW
NOTARY PUBLIC
STATE OF NEW MEXICO
My commission expires: 7/28/04

My commission expires:

7/28/04



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