Mark-up

LAS DOS HOMEOWNERS ASSOCIATION

BYLAWS

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the Las Dos Homeowners Association, a nonprofit corporation organized and existing under the laws of the State of New Mexico.

Section 2. "The Properties" shall mean and refer to Las Dos Subdivision Phase I as described on the plat filed May 31, 1979, in Book 69 Plats, page 21, in the records of Santa Fe County, New Mexico.

Section 3. "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the Owners of The Properties.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, to the fee simple title to any Lot situated upon The Properties but, notwithstanding any applicable theory of the mortgagee, "Owner" shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 6. "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III, Section I, hereof.

Section 7. "Developer" shall mean and refer to: The Homestead, Ltd., a New Mexico limited partnership.

ARTICLE II

LOCATION

The principal office of the Association shall be located at such place as the Board of Directors shall from time to time designate, and shall for any year be the same as the location designated on the annual report to the New Mexico Corporation Commission.

ARTICLE III

MEMBERSHIP

Section 1. Every person or entity who is a record owner of a fee, or undivided fee, interest in any Lot which is subject by covenants of record to assessment by the Association shall be a Member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member. Provided, that the membership rights of any Owner who enters into a real estate contract for the sale of said Lot may be assigned to the purchaser of said Lot. Any such assignment shall be in writing, and shall be filed with the Secretary of the Homeowners' Association.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of, and becomes a lien upon the property against which, such assessments are made as provided by Article 7 of the Declaration of Covenants and Restrictions to which The Properties are subject and recorded in the Office of the County Clerk of Santa Fe County, New Mexico.

(a.) Creation of the Lien and Personal Obligation of Assessments. The Developer for each Lot owned by it within The Properties hereby covenants, and each Owner of any Lot by acceptance to a deed therefor, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (2) special assessment, fixed and established from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and the cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

(b.) Purpose of Assessments. The assessments levied by the Association shall be exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon The Properties, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials and supervision thereof.

(c.) Basis and Maximum of Annual Assessments. Until the year beginning January _____, the annual assessment shall not be more than _____ Dollars ($_____) per Lot. From and after January _____, the annual assessment may be increased by vote of the Members, as hereinafter provided, for the next succeeding three (3) years for each succeeding period of three (3) years.

The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

(d.) Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section (c.), hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for those proposed, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

(e.) Change in Basis and Maximum of Annual Assessment. Subject to the limitations of Section (c.), hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section (c.), hereof prospectively for any such period, provided that any such change shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section (c.) hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(f.) Quorum for Any Action Authorized Under Sections (d.) and (e.). The quorum required for any action authorized by Sections (d.) and (e.) hereof shall be as follows:

> At the first meeting called, as provided in Sections (d.) and (e.) hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice

requirement set forth in Sections (d.) and (e.), and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

It is, however, provided that any special assessment levied pursuant to Section (d.) above, for the acquisition or construction of capital facilities, must be approved by no less than a two-thirds (2/3) majority of all the votes cast, and that the quorum for the purpose of considering such assessment shall be seventy-five percent (75%) of all the votes of the membership, in person or by proxy.

(g.) Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first date of a month) fixed by the Board of Directors of the Association to be the date of commencement.

The first annual assessments shall be made for the period ending on December 31 of the following year. The assessments for any year, after the first year, shall become due and payable on the first day of each month, in equal installments or may be payable annually at the direction of the Board of Directors.

The due date of any special assessment under Section (d.) hereof shall be fixed in the resolution authorizing such assessment.

(h.) Assessment Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period of at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Notwithstanding the due date of any assessment, specified herein or designated by the Board of Directors, the Board may, in its discretion, authorize payment on a monthly, or other basis, provided that such alternative payment schedule is available to all Members.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall upon demand, at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether

said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

(i.) Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of the Association. If the assessments are not paid on the date when due (being the date specified in Section (g.) hereof), such assessment shall become delinquent and shall, together with such interest thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in the title unless assumed by them.

If the assessment is not paid within thirty (30) days from the date of delinquency with interest at the rate of fifteen percent (15%) per annum, the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the court together with the costs of the action.

(j.) Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon The Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

(k.) Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (1) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; and (2) all Common Properties as defined in Article I, Section 3, hereof.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

Section 3. The membership right of any person whose interest in The Properties is subject to assessments under Article III, Section 2, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when assessments remain unpaid; but, upon payment of such assessments and any accrued interest, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

All holders of first mortgages on Lots in The Properties may, upon written request to the Association: (a.) receive timely written notice of meetings of the Association; (b.) inspect the financial records and similar documents at reasonable intervals during normal business hours; (c.) receive written notice of any form of condemnation, termination, abandonment, or any material amendment to the Declaration, Bylaws, or Articles of Incorporation; and (d.) receive timely written notice of any substantial damage or destruction to the Common Areas and/or amenities.

ARTICLE IV

VOTING RIGHTS

Section 1. Voting rights. The Association shall have one class of voting membership:

> Members shall be entitled to one vote for each Lot in which they hold the interests required for membership by Article III, Section 1. When more than one person holds such interest or interests in any Lot all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Properties and facilities as identified on the Subdivision Plat recorded in Plat Book 69, page 4, Records of Santa Fe County, New Mexico.

Section 2. Any Member may delegate his rights of enjoyment in the Common Properties and Facilities to the Members of his family who reside upon The Properties or to any of his tenants who reside thereon under a leasehold interest for a term of one

year or more. Such Member shall notify the Secretary, in writing, of the name of any such person and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 3, to the same extent as those of the Member.

ARTICLE VI

ASSOCIATION PURPOSES AND POWERS

Section 1. The Association has been organized for the following purposes:

(a.) To exercise its powers and functions on "The Properties"; whether or not fee title is vested in the Association.

Together with any and all other real property which may hereafter through the operation of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same, be placed under or submitted to the jurisdiction of this Association, and be accepted as within the jurisdiction of this Association by resolution of the Board of Directors of this Association (which said real property hereinabove specifically described, together with the property hereinafter within the jurisdiction of this Association as above provided, is referred to as "said property").

(b.) To care for vacant, unimproved, and unkempt Lots in The Properties, remove and destroy and unsightly and obnoxious things therefrom, and to do any other things, and perform any labor necessary or desirable in the judgment of this Association to keep The Property neat and in good order.

(c.) To pay the taxes and assessments, if any, which may be levied by any governmental authority upon roads and parks in said property and any other open spaces maintained and lands used or acquired for the general use of the Owners of Lots within said property, and on any property of this Association, or property which may be held in trust for this Association.

(d.) To enforce charges, restrictions, conditions and covenants existing upon and created for the benefit of said property over which this Association has jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of this Association having jurisdiction over any of said property; to pay all of the expenses in connection therewith; and to reimburse any declarant under any declaration of conditions, covenants, restrictions, assessments or charges affecting said property, or any part thereof, for all costs and expenses incurred or paid by it in connection with the enforcement, or attempted enforcement, of any of the conditions, covenants, restrictions, charges, assessments or terms set forth in any declaration.

(e.) To provide for the maintenance of roadways, and other community features on land set aside for the general use of the Members of said Association.

(f.) To do any and all lawful things and acts which this Association at any time, and from time to time, shall, in its discretion, deem to be the best interests of said property and the Owners of the Lots thereon, and to pay all costs and expenses in connection therewith.

(g.) To exercise any and all powers and duties of the said Association relating to maintenance, operation, construction or reconstruction of any facility provided for herein and contract for the same with any proper entity or person.

(h.) To fix the rate and amount of the annual charges or assessments to which said property shall be made subject; to collect the charges or assessments affecting said property; to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of this Association and all licenses, franchise taxes, and governmental charges levied or imposed against said property of this Association; such charges or assessments shall become a lien on said property as soon as due and payable. Settlement of such lien shall be made as determined by the Directors of this Association.

(i.) To acquire by gift, purchase, or otherwise to own, hold, enjoy, lease, operate, maintain, and to convey, sell, lease, transfer, mortgage or otherwise encumber, dedicate for public use, or otherwise dispose of real or personal property in connection with the business of this Association.

(j.) To expend the moneys collected by this Association from assessments or charges and other sums received by this Association for the payment and discharge of all proper costs, expenses and obligations incurred by this Association in carrying out any or all of the purposes for which this Association is formed.

(k.) To borrow money; to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, and to do any and all things that a nonprofit corporation organized under the laws of the State of New Mexico may lawfully do, and generally to do and perform any and all other acts which may be either necessary for, or proper or incidental to the exercise of any of the foregoing powers, and such powers as are granted by the provisions of the laws of the State of New Mexico to a nonprofit corporation.

(l.) To do any and all lawful things which may be advisable, proper, authorized or permitted to be done by this Association under and by virtue of any condition, covenant, restriction,

reservation, charge, or assessment affecting said property or any portion thereof, and to do and perform any and all acts which may be whether necessary for or incidental to the exercise of any of the foregoing powers, or for the peace, health, comfort, safety, or general welfare of the owners of said property or any portion thereof, or residents thereon.

ARTICLE VII

BOARD OF DIRECTORS

Section 1. The Board of Directors shall consist of three (3) persons.

Section 2. The tenure in office of the first Board of Directors shall be until the first annual meeting of the Members of the Association, or until such prior time that they may be replaced in accordance with these Bylaws.

Section 3. Vacancies in the Board of Directors shall be filled by the majority of remaining directors, any such appointed director to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VIII

ELECTION OF DIRECTORS: NOMINATING COMMITTEE: ELECTION COMMITTEE

Section 1. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to The Properties. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committee of the Association.

Section 3. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association who are not office holders. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 4. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its

discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among Members. Nominations shall be placed on a written ballot as provided in Section 5 and shall be made in advance of the time fixed in Section 5 for the mailing of such ballots to Members.

Section 5. All elections to the Board of Directors shall be made on written ballot which shall (a.) describe the vacancies to be filled; (b.) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c.) contain a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the Members at least fourteen (14) days in advance of the date forth therein for a return (which shall be a date not later than the day before the annual meeting or special meeting called for elections).

Section 6. Each Member shall receive as many ballots as he or she has votes. Notwithstanding that a Member may be entitled to several votes, he or she shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that because of the verification procedures of Section 7, inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the Member or his proxy is exercising more than one vote), shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the address designated on the ballot.

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five (5) Members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall:

(a.) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to a Member or his proxy identified on the outside envelope containing them; and

(b.) that the signature of the Member or his proxy on the outside envelope is genuine;

and

(c.) if the vote is by proxy, that a proxy has been filed with the Secretary as provided in Article XIV, Section 2, and that such proxy is valid.

Such procedure shall be taken in such manner that the vote of any Member or his proxy shall not be disclosed to anyone, even the Election Committee. The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelope found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the Members present, the ballots and the outside envelopes shall be destroyed.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have power:

(a.) To call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article XII, Section 2.

(b.) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever.

(c.) To establish, levy and assess, and collect the assessments, or charges referred to in Article III, Section 2.

(d.) To adopt and publish rules and regulations governing the use of the Common Properties and facilities and the personal conduct of the Members and their guests thereon.

(e.) To appoint such committees as the Board of Directors may require, which committees shall have all power and authority as permitted by law and as set forth in the resolution creating the committees.

(f.) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting of Members or to Members in the covenants.

(g.) In the event that any Member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent director to be vacant.

(h.) Any director may be removed from office at any regular meeting of the Members, pursuant to Article XII, hereof.

Section 2. It shall be the duty of the Board of Directors:

(a.) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to Members at the annual meeting of the Members or at any special meeting when such is requested in writing by one-fourth (1/4) of the voting membership, as provided in Article XII, Section 2.

(b.) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c.) As more fully provided in Article III hereof.

(1.) To prepare an annual budget and fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and, at the same time;

(2.) To prepare a roster of The Properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Members, and, at the same time;

(3.) To send written notice of each assessment to every owner subject thereto.

(d.) To issue, or cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether assessment has been paid. Such certificate shall be conclusive of any assessment therein stated to have been paid.

ARTICLE X

DIRECTORS' MEETINGS

Section 1. A regular meeting of the Board of Directors shall be held on the fifteenth (15) day of the first month of each calendar quarter at seven o'clock P.M. provided that the Board of Directors may, by resolution, change the frequency, day and hour of holding such regular meeting.

Section 2. At least three (3) days' notice of the time and place of each meeting shall be given. If the day for the regular meeting shall fall upon a holiday, a Friday, Saturday or Sunday, the meeting shall be held at the same hour on the first day which is not a holiday, or as the Board shall specify.

Section 3. Special meeting of the Board of Directors shall be held when called by any officer of the Association or by any two directors after not less than three (3) days' notice to each director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs 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 and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

OFFICERS

Section 1. The officers shall be a president, a vice president, a secretary, and a treasurer. The president and the vice president shall be Members of the Board of Directors. One individual may serve as secretary/treasurer.

Section 2. The officers shall be chosen by majority vote of the Directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors.

Section 4. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes,

checks, leases, mortgages, deeds and all other written instruments.

Section 5. The vice president shall perform all the duties of the president in his absence.

Section 6. The secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for the purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

Section 7. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the president or the vice president.

Section 8. The treasurer shall keep proper books of account. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE XII

MEETINGS OF MEMBERS

Section 1. The regular annual meeting of the Members shall be held during the month of October of each year, at such time and place as the Board of Directors may designate, provided that its Board of Directors by resolution, may change the date of the annual meeting.

Section 2. Special meetings of the Members for any purpose may be called at any time by the President, the Vice President, the Secretary or the Treasurer, or by any two or more Members of the Board of Directors, or upon written request of the Members who have a right to vote representing one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of any meeting shall be given to the Members by the Secretary. Notice may be given to he Member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each Member shall register his address with the Secretary, and notices of meetings shall be

mailed to him at such address. Notice of any meeting regular or special shall be mailed at least fifteen (15) days but not more than sixty-five (65) days in advance of the meeting and shall set forth in general the nature of the business to be transacted, provided, however, that if the business of any meeting shall involve an election governed by Article VIII or any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties, notice of such meeting shall be given or sent as therein provided.

Section 4. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes of the membership shall constitute a quorum for any action governed by these Bylaws except certain activities relating to assessments set forth in Article III. Any other action governed by the articles of Incorporation or by the Covenants applicable to The Properties shall require a quorum as therein provided.

ARTICLE XIII

PROXIES

Section 1. At all corporate meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing, and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the Member of his home or other interest in The Properties. No proxy shall empower any person other than another Member of the Association to cast the vote for the grantor of the proxy.

ARTICLE XIV

BOOKS AND PAPERS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Members.

ARTICLE XV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of the Members present in person or by proxy, a quorum being represented, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact

governed by the Covenants and Restrictions applicable to The Properties may not be amended except as provided in such Covenants and Restrictions.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Covenants and Restrictions applicable to The Properties referred to in Section 1 and these Bylaws, the Covenants and Restrictions shall control.

1/KB/LASDOS