

BYLAWS
ALAMEDA SOUTHRIDGE I OWNER'S ASSOCIATION
A New Mexico Non-Profit Corporation

ARTICLE I

NAME, PURPOSE AND IDENTITY

1.1 NAME

The name of this corporation is ALAMEDA SOUTHRIDGE I OWNER'S ASSOCIATION, INC.

1.2 PURPOSE

ALAMEDA SOUTHRIDGE I ASSOCIATION, INC., a New Mexico non-profit corporation, hereinafter referred to as the "Association", has been formed under the laws of the State of New Mexico for the purpose of owning, maintaining and preserving areas and facilities which enhance the common interests of its members, as well as for the purpose of exercising all of the rights, privileges and responsibilities of the Owner's Association as set forth in the Alameda Southridge I Master - Restrictions A Declaration of Covenants, Conditions and Restrictions, dated 26 January 1990, hereinafter referred to as the "Covenants."

1.3 IDENTITY

The Association shall consist of all of the owners of sixty-three (63) Lots, with thirty-three (33) located in Unit A, Phase I and 30 located in Unit B-1, Phase I, of Alameda Southridge I Community, as recorded in Dona Ana County Plat Book 16, Pages 207 through 213, Attachment A, Plat Numbers 2058 and 2059, as filed in Las Cruces, New Mexico on 26 and 27 January 1990, and owners of any platted lots in sub-divisions subsequently annexed into the Alameda Southridge development pursuant to Section 2.02 of the Covenants.

ARTICLE II

MEMBERSHIP

2.1 MEMBERSHIP QUALIFICATIONS

(a) Each owner of a lot in the Alameda Southridge I Community, as described in Section 1.3 above, shall be a member of the Association for so long as he/she is an owner, except that an owner shall not be a member by virtue of owning common areas, property owned by government or public bodies or dedicated to

public use, or exempted from assessment. Any person or entity holding an interest in a lot as security for the payment of debt or performance of an obligation shall not be a member.

(b) The transfer of title to any lot shall automatically transfer the membership appurtenant to such lot to the transferee.

2.2 CLASSES OF MEMBERSHIP

The Association shall have two (2) classes of membership, Class I and Class II.

(a) Class I. All members, except the Grantor, shall be Class I members and entitled to one (1) vote per lot owned.

(1) When more than one person holds an interest in any lot or unit, all such persons shall be the member. The vote for such unit 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 or units owned. In no event shall fractional votes be permitted.

(b) Class II. The Grantor, Alameda Southridge Partners, Ltd., shall be the only Class II member and shall be entitled to three (3) votes for each lot or unit owned by the Grantor prior to the initial conveyance of such lot or unit by the Grantor (the assignment or conveyance of all of the Grantor's interest in the Project shall not be such initial conveyance). The Class II membership of the Grantor shall terminate upon the sale of the last lot owned by it.

2.3 RIGHTS AND PRIVILEGES

(a) Each Member shall be entitled to the number of votes for each lot or unit owned by such Owner as set forth in Section 2.2 above on all matters properly submitted for vote to the membership of the Association. 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 of any lot to a new Owner shall operate to transfer the appurtenant vote without the requirement of any express reference thereto. Voting by Members may be by written proxy.

(b) Members, members of their families, or their guests or renters who actually reside within the area described in Section 1.3 above have the right to use the Common Areas on a non-exclusive basis subject to Subdivision rules.

ARTICLE III

MEETING OF MEMBERS

3.1 ANNUAL MEETINGS

(a) The Association shall begin its effective existence upon the adoption of these Bylaws by sixty percent (60%) of the eligible votes and the election of a Board of Directors as prescribed in Article V below.

(b) Following the first official meeting of the membership of the Association, the annual meeting of the membership shall be held the second Thursday of February of each year at a place in Las Cruces, New Mexico to be determined by the Board.

3.2 SPECIAL MEETINGS

Special meetings of the members may be called at any time by the President or the Board of Directors of the Association, or upon written request of twenty percent (20%) of the eligible votes.

3.3 NOTICE OF MEETINGS

Written notice of each meeting of members shall be given by, or at the direction of, the Secretary of the Association by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before the meeting is scheduled to be held to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association. Such notice shall specify the place, date and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

3.4 QUORUM

The presence at the meeting of members entitled to cast sixty percent (60%) of the then existing eligible votes, including proxies, shall constitute a quorum for any action of the Association except as otherwise provided in these Bylaws.

3.5 PROXIES

At all meetings of members, each member may vote in person or by proxy. Proxies shall be in writing and filed with the secretary. Each proxy shall be revocable and shall automatically be revoked upon conveyance by the member of his ownership in the property to which the vote is attributable.

3.6 MEMBERSHIP ACTION

A simple majority vote of the quorum shall be required for

every act or decision done or made by the membership except that sixty percent (60%) approval of the quorum is needed for approval of the annual budget and for expenditures which exceed the approved budget amount by more than ten percent (10%).

ARTICLE IV

BOARD OF DIRECTORS

4.1 NUMBER

The affairs of this Association shall be managed by a board of at least three (3) and no more than nine (9), but commencing with five (5) directors who shall be members of the Association.

4.2 TERM OF OFFICE

At the first annual meeting the members shall elect five directors. The two candidates receiving the highest number of votes shall serve for three (3) years; the two candidates next in line in terms of the number of votes received shall serve for two (2) years; and the candidate fifth in line in terms of the number of votes received shall serve for one (1) year. At each annual meeting thereafter, the members shall elect directors for a three (3) year term to replace those directors whose term has expired.

4.3 REMOVAL

Any director may be removed from, or replaced on the board, with or without cause, by a sixty percent of the eligible votes of the Association. In the event of death or resignation of a director, a successor may be appointed by the remaining members of the board and shall serve for the unexpired portion of the vacated term.

4.4 COMPENSATION

No director or member shall receive compensation for any service rendered to the Association. However, any director or member may be reimbursed for actual documented expenses pre-approved by the Board and incurred on behalf of the Association.

4.5 ACTION TAKEN WITHOUT A MEETING

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of sixty percent (60%) or more of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

5.1 NOMINATIONS

Nominations for the initial Board of Directors shall be made from the floor at the first meeting of the Association. In succeeding years, nominations shall be made by a Nominating Committee and/or from the floor at the annual meeting.

5.2 ELECTION

(a) Election to the Board of Directors shall be by secret written ballot. At such elections the members or their proxies may cast, in respect to each vacancy, one (1) vote in the case of Class I members and three (3) votes in the case of Class II members. The nominee/s receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

(b) If at any time the members other than the Grantor do not have a sufficient percentage of voting power to elect at least one (1) director to the Board through the accumulation of all their votes, Grantor at the annual election of the Board or at any other election of the entire Board shall be allowed to vote for no more than one (1) less than the total number of director's positions on the Board.

ARTICLE VI

MEETINGS OF DIRECTORS

6.1 REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held quarterly without notice, at such place, date and hour as may be fixed from time to time by resolution of the Board.

6.2 SPECIAL MEETINGS

Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

6.3 QUORUM

A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a simple majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 POWERS

The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of any common property, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; all published rules and regulations governing the use of the common property, and any assessments or penalties or fines to be assessed for the violation of the covenants or Bylaws or adopted rules and regulations shall be published and maintained in the official records of the Alameda Southridge I Owner's Association, Inc. All such fines, penalties or assessments shall be set, collected, and disputes thereto adjudicated by the Directors of the Alameda Southridge I Owner's Association.

(b) Suspend the voting rights and the right to use of the common areas of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for the infraction of the published rules and regulations.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(e) Authorize the officers of the Association to enter into one or more agreements with third parties in order to facilitate the maintenance of the common property. The primary purpose of such agreements shall be to provide for the repair and maintenance of any common property. The terms of said agreements shall be as determined by the Board of Directors.

7.2 DUTIES

It shall be the duty of the Board of Directors to carry out the Powers and Authorities of the Association as defined in Section 7.07 of the Covenants and to:

(a) Supervise all contractors or individuals performing work for the Association.

(b) Cause to be kept a complete record of all of its acts and Association affairs and to present a statement thereof to the members at the annual meeting of members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the eligible votes of the Association.

(c) From time to time, and at least annually, prepare a budget for the Association, determine the amount of the common charges required to meet the common expenses of the Association and allocate and assess such common expenses against the unit owners, and levy and collect any special assessments which may be required.

(d) At least thirty (30) days before the initial due date, advise each unit owner in writing of the total annual amount of the assessment payable by him and the date(s) when due. If requested, furnish copies of each budget on which such common expenses are based to all unit owners.

(e) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the owner personally obligated to pay same.

(f) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. Such certificate shall be conclusive evidence of the fact of payment.

(g) Take such other action as may be required in serving the best interests of the Association. The Board shall supervise all contractors or individuals performing work for the Association and see that their duties are properly performed.

(h) The Board of Directors shall have the authority to procure and maintain insurance in adequate amounts for the liability and hazard on all property owned or supervised by the Association, as well as liability/fiduciary coverage or bonding to protect members of the Board.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

8.1 ENUMERATION

The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create. There shall be no salary for any officer.

8.2 ELECTION

The election of officers shall take place at the first meeting of the Board of Directors following the initial meeting of the members at which the Directors are elected and at the first meeting of the Board of Directors following each annual meeting of the members thereafter.

8.3 TERM

The officers shall hold office until the next election or for one (1) year, as appropriate, unless they shall sooner resign or be removed or otherwise become disqualified to serve.

8.4 SPECIAL APPOINTMENTS

The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

8.5 RESIGNATION AND REMOVAL

Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, acceptance of a resignation shall not be necessary.

8.6 VACANCIES

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

8.7 MULTIPLE OFFICES

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices, except in the case of special offices created pursuant to Section 8.4.

8.8 DUTIES

The duties of the officers are as follows:

(a) PRESIDENT. The President shall preside at all meetings of the Board of Directors; shall see that all orders and resolutions of the Board are carried out; shall sign all leases, lien statements, mortgages, deeds and other written instruments

and shall co-sign all checks and promissory notes. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business of the corporation. He shall also recommend to the Board all committee chairmen and these recommendations shall be appointed subject to the approval of the Board. He or she may serve as an ex-officio member of all committees.

(b) VICE-PRESIDENT. The Vice-President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise such other duties as maybe required of him by the Board.

(c) SECRETARY. The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and all meetings of the members; shall keep the seal of the Association, if any, and affix it on all papers requiring a seal; shall serve notice of meetings of the Board and the members; shall keep appropriate current records showing the members of the Association together with their addresses; shall perform such other duties required by the Board. The Secretary is also responsible for insuring that all documentation necessary to be filed each year with the State Corporation Commission or the Internal Revenue Service is completed in a timely fashion and filed with the appropriate agency.

(d) TREASURER. The Treasurer shall receive and deposit all monies of the Association in appropriate bank accounts approved by the Board and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and Promissory Notes of the Association; shall keep proper books of account; shall cause an annual audit of the Association books to be made at the end of each fiscal year by an auditing committee composed of three (3) members who shall not be officers or directors of the Association; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and, if requested, deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

9.1 APPOINTMENT

The Board of Directors shall appoint such committees as it deems appropriate in determining and carrying out the purposes of the Association.

9.2 DUTIES AND AUTHORITY

In designating a committee, the Board of Directors shall determine the duties of the committee and shall vest the committee such authority as it deems appropriate.

9.3 NOMINATING COMMITTEE

The Nominating Committee shall consist of one member of the Board of Directors, and not less than two nor more than four members of the Association who are not Directors. The terms of office shall begin upon appointment at the first regular meeting of the Board, and shall end a year later at the corresponding regular Board meeting. Consecutive terms may be served by the committee. Members shall be named by the President for ratification by the Board. Duties of the committee shall consist of determining the qualifications required for a Director, to select members of the Association who qualify, to obtain the agreement of the member selected and to name them as candidates for election by the members. The committee shall name the number of candidates necessary to fill all vacancies on the Board. The committee shall announce the names of the selected candidates, in writing, to all members, at least fifteen (15) days before the annual meeting.

9.4 PLANNING COMMITTEE

The Grantor or the Board of Directors will appoint a Planning Committee in accordance with the Covenants.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours and by prior appointment be subject to inspection by any member. The Bylaws of the Association, as well as any agreements, shall be available for inspection, and copies may be purchased at reasonable cost.

ARTICLE XI

OBLIGATIONS OF MEMBERS

11.1 ASSESSMENTS

All members are obligated to pay annual and special assessments imposed by the Association by act of the Board of Directors in accordance with the Covenants. Assessments shall be uniform and made pro-rata, according to the number of eligible lots and shall be due and payable as stated in the notice of such assessment. Such assessment shall include money for a general

operating reserve, common expenses, a reserve fund for the replacement of plants, street light bulbs and sprinkler system components, contractual payments if there exists in effect a contractual maintenance agreement with an outside agency and payment of all associated water and electric charges.

11.2 COLLECTION OF ASSESSMENTS

Assessments not paid when due shall be delinquent and shall bear interest at the highest legal rate per annum from the date of delinquency. The Board of Directors, on behalf of the Association, may institute legal proceedings against the delinquent member in the form of a suit for damages and/by foreclosing the lien against the property against which the assessment is made, in either of which events, all costs of court and reasonable attorney's fees shall be added to the amount due. Non-use of the owner's property, the common property or abandonment of a unit shall not relieve a member of the liability for the assessment.

11.3 RIGHT OF ENTRY

Each owner of a lot hereby grants an easement to persons authorized by the Board of Directors for ingress to and egress from areas on his property necessary to accomplish the purposes of the Association, including the maintenance of common areas.

11.4 LIEN

Each member, by acceptance of title to any lot within the above described property, grants to the Association a lien against said property and all improvements thereon, for the payment of all assessments. The lien may be foreclosed in accordance with the statutory provisions of the Mechanic's and Materialman's Lien Law of the State of New Mexico.

ARTICLE XII

AMENDMENTS

12.1 SIXTY PERCENT (60%) REQUIREMENT

These Bylaws may be amended, at a regular or special meeting of the members, by an affirmative vote of sixty percent (60%) of the eligible votes, or by a signed writing of sixty percent (60%) of the eligible votes.

12.2 CONSTRUCTION OF CONFLICTS

In the case of conflict between these Bylaws and the then effective Covenants of record, the provisions in the Covenants shall control.

ARTICLE XIII

MISCELLANEOUS

13.1 FISCAL YEAR

The fiscal year of the Association shall be the calendar year.

13.2 ACTION ON BEHALF OF MEMBER

In the event a member of the Association fails to take action required by the Covenants, these Bylaws, the authorized resolutions and policies published by the Board of Directors, or any laws or regulations of the United States, the State of New Mexico, the County of Dona Ana, or any other governmental agency or entity, the Board of Directors may take such action on behalf of the Association for the member at the owner's expense and collect costs so incurred in the same manner as provided for the collection of assessments.

13.3 COMMON PROPERTY

The common property shall include all real and personal property owned by the Association including all landscaping improvements, sprinkler systems, lighting, easements and maintenance equipment, if any.

13.4 DAMAGE TO OR DESTRUCTION OF STRUCTURES

In the event of damage to or destruction of any structure located within the property, the structure so damaged or destroyed shall be repaired or restored, the owner paying the full expense thereof. Such repair or restoration shall be in accordance with the Planning Rules and in accordance with the original plans and specifications. Each owner shall be required to repair or restore said damaged or destroyed structure within six (6) months of the date on which destruction or damages to the structure has occurred. In the event any member fails to take such action, the Association is empowered either to take such action on behalf of the member in accordance with these Bylaws, or to require the member to sell the property.

13.5 DECORATION AND MAINTENANCE

Subject to the terms and provisions of these Bylaws, each owner shall keep all areas of his lot and the exterior walls of the structures thereon in good condition and repair at his sole cost and expense.

13.6 ARBITRATION

Any dispute or conflict between two owners arising under these bylaws may be submitted to arbitration, in which event each owner involved in the dispute or controversy shall select a disinterested person as arbitrator. The two arbitrators so selected shall select a third arbitrator. If the two arbitrators are unable to agree on a third arbitrator, the third arbitrator shall be appointed by the Board of Directors. Within fifteen (15) days after the third arbitrator has been selected or appointed, a hearing will be held, at which hearing each owner involved in the controversy shall be entitled to submit evidence. The decision by a majority of the arbitrators shall be conclusive. The expense of such arbitration shall be borne equally by the owners involved, unless the arbitrators shall decide that the expense shall be in some other proportion and such decision of the arbitrators shall be binding upon the parties.

13.7 ATTORNEY'S FEES

In the event it shall be necessary for the Association, on behalf of the members, to place these Bylaws in the hands of an attorney for review or for the enforcement of any rights arising hereunder or for the recovery of any monies due, and if it is necessary to bring suit for the enforcement of such rights or recovery, the prevailing party in any such suit shall recover all court costs and reasonable attorney's fees as determined by the court in addition to any other relief or recovery awarded by the court.

13.8 NUISANCES

No noxious or offensive activity shall be carried on in any dwelling unit or lot nor shall anything be done by any member, his family, employee or invitees, either wilfully or negligently, which may be or become an annoyance or nuisance to other members, their families and invitees. No member shall make or permit any disturbing noises in the dwelling units or lots by himself, his family, pets, employees or invitees nor permit anything by such persons or pets that will interfere with the rights, comforts or convenience of the other members. This provision is in addition to and not in lieu of the Covenants of record.

13.9 ENFORCEMENT

The Association on behalf of all the members shall have the right to enforce by any proceeding at law or in equity all of the covenants, conditions, easements, restrictions, rights, duties and obligations herein contained. If any suit for injunction is brought for the enforcement (whether to prevent a violation or a threatened violation) of any such covenants, conditions,

easements, restrictions, rights, duties and obligations, no bond or other security shall be required of the party bringing such action in order to secure the issuance of a temporary restraining order, temporary injunction or final injunction. If the application for injunction is contested, the successful party in such action shall be entitled to recover all court costs and reasonable attorney's fees as determined by the court. Further, the Covenants allow assessments, fines or penalties as agreed to by the Association Directors and such fines are set forth in the schedule of assessments, fines and penalties maintained with the Association's official records. Any disputes as to the levy of such a fine, assessment or penalty shall be determined by the Directors of the Association, and upon a written notice of appeal, and after any appropriate hearing is held, the action of said Directors shall be affirmed or modified as the Directors deem appropriate. Each member of the Association agrees that there shall be no other rights of appeal from said determination and each member agrees to abide by and fully conform with the decision of the Directors of the Association in this regard.

13.10 LANDSCAPING

All landscaping shall be in harmony with the landscaping of the other members of the Association, and any plans for landscaping which shall be extraordinarily deviant from harmony must be first submitted and approved by the Planning Committee.

13.11 SEVERABILITY

The invalidation of any portion of these Bylaws by a judgement or court order shall in no way affect the other provisions. Such other provisions shall remain in full force and effect.

13.12 COVENANTS RUNNING WITH THE LAND

All of the easements, covenants, restrictions, rights, duties and obligations herein contained are hereby declared to be and shall be covenants running with the property (including all improvements constructed thereon) and shall be binding upon all parties having or claiming any right, title or interest in the above described real estate or any part thereof, their heirs, successors, executors, administrators or assigns. Such covenants, conditions, easements, restrictions, rights, duties and obligations shall inure to the benefit of each owner of any one or more of the lots.

13.13 TERM

The covenants, conditions, easements, restrictions, rights, duties and obligations contained in these Bylaws shall be in full force and effect until December 31, 2030 AD. Provided, however,

that unless within one (1) year prior to December 31, 2030 AD, there shall be recorded an instrument directing the termination of these Bylaws signed by a majority of the then owners, these Bylaws as they are in effect immediately prior to the expiration date shall be continued automatically, without any further notice, for an additional period of ten (10) years and thereafter for successive periods of ten (10) years unless within one (1) year prior to the expiration of any such period these Bylaws are terminated as set forth in this paragraph.

IN WITNESS WHEREOF, we, the undersigned, being at least sixty percent (60%) of the eligible votes do hereby adopt the foregoing as the Bylaws of the Alameda Southridge I Owner's Association, Inc., effective the date of the signing hereof by the Lot owner whose signature shall represent the attainment of the sixtieth percent (60th%) of the eligible votes.

James A. McCreary
Robert J. Marcus

4-20-93
4-20-93