

BYLAWS OF

LOMAS ENCANTADAS MASTER ASSOCIATION INC.

ARTICLE I NAME AND LOCATION

The name of the corporation is **LOMAS ENCANTADAS MASTER ASSOCIATION, INC.** The principal office of the corporation shall be located at 333 Rio Rancho Drive, Rio Rancho, New Mexico, but meetings of members and directors may be held at such places within Sandoval County, New Mexico, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. “Association” shall mean and refer to **LOMAS ENCANTADAS MASTER ASSOCIATION, INC.** its successors and assigns.

Section 2. “Association Land” shall mean all real property owned by the Association for the common use and enjoyment of the Owners and is also known as “Common Area”.

Section 3. “Declarant” shall mean and refer to Amrep Southwest, Inc., its successors and assigns.

Section 4. “Declaration” shall mean and refer to the Declaration of Protective Covenants and Building Restrictions applicable to the Properties, as recorded in the office of the County Clerk of Sandoval County, New Mexico.

Section 5. “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 6. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a party of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. “Properties” shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III MEMBERS

Section 1. General. Every person or entity who is a record owner of any Lot in the Properties shall automatically be a Member of the Association. There shall be two classes of membership, as set forth in the Declaration and in Section 2 below.

Section 2. Classes of Membership.

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to each Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to four (4) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following event, whichever occurs first:

- (a) Upon termination of the Declarant Control Period, which is ninety (90) days from the date upon which the total votes of the Class A Members entitled to vote equal the total votes of the Class B Membership, or
- (b) On April 28, 2026.

ARTICLE IV MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter on a day and time to be determined by the Board.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her Lot.

ARTICLE V BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. Initial Three-Person Board. The affairs of this Association shall be initially managed by a Board of three (3) directors, each of whom and each of whose replacement, shall be an employee, representative or designee of Declarant, and who shall be elected and subject to removal by Declarant only. The members of the initial Board need not be members of the Association and may also serve as directors of one or more subsidiary associations, as defined in the Declaration. The members shall be entitled to elect the entire Board, including the three directors, or their respective successors, theretofore elected by Declarant, upon the first to occur of the following events:

- (a) a total of Fourteen Hundred (1400) dwelling units are constructed, sold, initially occupied, included and subjected to jurisdiction of the Association; or
- (b) April 28, 2026.

Section 2. Additions to Initial Three Person Board. Upon construction, sale, initial occupation, and inclusion in the Association of Seven Hundred Fifty (750) dwelling units, there shall be one director added to the initial three person Board. Such director shall be elected by a majority vote of the Class A members and shall serve a term of one year. Such director shall be subject to removal pursuant to Section 4 below. Upon construction, sale, initial occupation and inclusion in the Association of an additional Two Hundred Fifty (250) dwelling units, there shall be a second director added to the Board, subject to the same conditions stated above. Thereafter a total number of directors on the Board shall remain static at five.

Section 3. Term of Office. At the first annual meeting the Declarant shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years. Thereafter, each director shall hold office for a term of one (1) year. Any director added pursuant to Section above shall serve a term of one year.

Section 4. Removal. The directors constituting the initial three person Board, or their successors, are subject to removal and replacement only by Declarant until the first to occur of the following events:

- (a) a total of Fourteen Hundred (1400) dwelling units are constructed, sold, initially occupied, included and subjected to jurisdiction of the Association; or
- (b) April 28, 2026.

Thereafter, any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term.

Section 5. Compensation. No director shall receive compensation for any service rendered to the Association. However, directors may be reimbursed for reasonable expenses actually incurred in the performance of their respective duties, with approval of the Board.

Section 6. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of the Chairman, who shall be a member of the Board, and two or more members of the Association. The nomination committee shall be appointed by the Board 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 annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Declarant's Right to Select Initial Three-Person Board

Notwithstanding anything contained in this Article to the contrary, the Declarant shall have the exclusive right to select the initial three person Board, and their successors, in accordance with Article V above.

**ARTICLE VII
MEETINGS OF DIRECTORS**

Section 1. Regular Meetings. Regular meetings of the Board may be held monthly without notice to the members, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a 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 VIII
POWERS AND DUTIES OF BOARD OF DIRECTORS**

Section 1. Powers. The Board shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Association Land and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities 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 a period not to exceed sixty (60) days for an infraction of 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, the Articles of Incorporation, of the Declaration;

(d) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and

(e) employ a manager, an independent contractor, attorney, accountant or such other employees as they deem necessary, and to prescribe their duties and compensation.

Section 2. Duties. It shall be the duty of the Board to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot and send written notice to each Owner thereof at least thirty days in advance of each annual assessment period; and

(2) foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or to 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 these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on Association Land and property;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Association Land to be maintained.

**ARTICLE IX
OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Offices. The officers of this Association shall be president and vice-president, who may 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.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 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.

Section 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, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 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.

Section 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 any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign promissory notes.

(b) Vice President. The vice president shall act in the place and stead of the president in the event of the absence of, inability or refusal to act by the president, and shall exercise and discharge all other duties as may be required by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. 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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget

and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X COMMITTEES

The Board shall appoint an Architectural Control Committee as provided in the Declaration, and a nominating committee as provided in the Bylaws. The Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI BOOKS AND RECORDS

The books, records and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XII ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien on property against which the assessment is made. Any assessments which are not paid when due shall be delinquent and shall bear interest thereafter at the rate of fifteen percent (15%) per annum until paid, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. In any such actions by the Association or in the event the collection of assessments is turned over to an attorney, the Association shall be entitled to recover interest, costs and attorney's fees. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Association Land or abandonment of their Lot.

ARTICLE XIII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Lomas Encantadas Master Assoc.

ARTICLE XIV AMENDMENTS

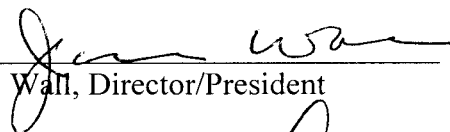
Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by an affirmative vote of two-thirds of a quorum of members present in person or by proxy.

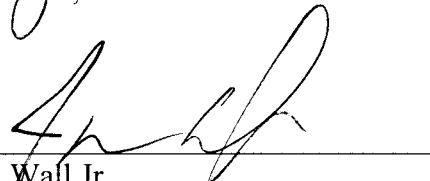
Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

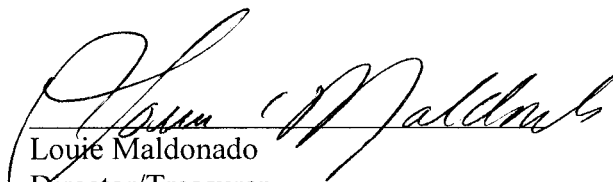
**ARTICLE XV
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all the directors of the Lomas Encantades Master Association, have hereunto set our hands this 10th day of July, 2006.


James Wall, Director/President


James Wall Jr.
Director/Secretary

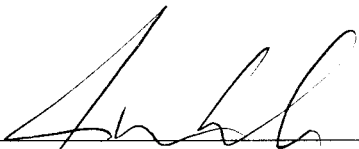

Louie Maldonado
Director/Treasurer

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the LOMAS ENCANTADAS MASTER ASSOCIATION, INC. a New Mexico corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 10th day of July, 2006.



James Wall, Jr., Secretary