

BY-LAWS
OF
WILD HORSE RANCH
LANDOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Wild Horse Ranch Landowners' Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located initially on the York Ranch in Pie Town, New Mexico at the office of The Ranch Associates, Ltd., Co. until such time as the Board of Directors designates such other location as it may deem appropriate for such purposes.

ARTICLE II

DEFINITIONS

Terms used in these By-laws having initial capital letters but not otherwise defined in these By-laws shall have the meanings specified below.

"Activate", "Activated" and "Activation" shall refer to the recordation in the office of the County Clerk of Catron County, New Mexico of a notice executed by the Declarant to the effect that a particular Phase which has been acquired by the Declarant has been subjected by the Declarant to the Declaration. The real property referred to as "Phase 1" on the Subdivision plat shall be Activated by the recordation of the Declaration.

"Association" shall mean Wild Horse Ranch Landowners' Association, Inc., its successors and assigns.

"Board" shall mean the Board of Directors of the Association.

"Declarant" shall mean Wild Horse Ranch L.L.C. and the successors and assigns of its rights and powers hereunder.

"Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for the Subdivision, as amended from time to time.

"Default Rate" shall mean a rate of interest equal to the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law.

"Lot" shall mean any numbered lot as shown on the Subdivision plat of a Phase which has been Activated.

“Majority of the Members” means Members owning a majority of the Lots.

“Member” shall mean a member of the Association, including the Declarant so long as the Declarant is the Owner of one or more Lots.

“Owner” shall mean a record holder of beneficial or equitable title and legal title if legal title has merged with the beneficial or equitable title, to the fee simple interest in any Lot. Owner shall not include: (a) a Person having an interest in a Lot merely as security for the performance of an obligation; or (b) a tenant of a Lot.

“Person” shall mean a natural person or a corporation, limited liability company, partnership, joint venture, trust, or any other legal entity.

“Phase” shall mean a portion of the Subdivision indicated as a “phase” on the plat for the Subdivision.

“Property” shall mean the real property comprising the Subdivision.

“Subdivision” shall mean that portion which has been Activated of Wild Horse Ranch Subdivision, a subdivision located in Catron County, New Mexico and developed by Declarant, including the roads and any common areas shown on the Subdivision plat.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings: Annual meetings of Members for the election of directors and for such other business as may be stated in the notice of the meeting, or as may properly come before the meeting, shall be held at such places, within or without the State of New Mexico, and at such times and dates as the Board may designate. If the Board fails to so determine the time, date and place of the meeting, the annual meeting of Members shall be held at the principal office of the Association on the first Saturday of May at 2:00 p.m. each year.

Section 2. Special Meetings: Special meetings of the Members may be called at any time by the Declarant, the President or by a majority of the Board or by a Majority of the Members.

Section 3. Notice of Meetings: Written notice stating the place, date and time of the meeting and the general nature of the business to be considered shall be given to each Member by mail at his address as it appears on the records of the Association, not less than 10 days nor more than 50 days before the meeting.

Section 4. Quorum: The presence of Members or proxies of Members entitled to cast 50% of all votes shall constitute a quorum. If the required quorum is not present another meeting may be called and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Upon the holding of a meeting at which a quorum is present, the quorum for the next succeeding meeting shall be Members or proxies of Members entitled to cast 50% of all votes.

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.

Section 6. Delinquent Members: A Member who has not paid up all assessments owing the Association together with interest, if any, and costs of collection of the Association, including attorneys' fees, or who is the subject of an uncured notice from the Declarant to the Association informing the Association that such Member is then in default under his real estate contract with the Declarant, shall not be entitled to vote on any matter. The determination of a Majority of the Members and the existence of a quorum for any meeting of Members shall be made without reference to such a Member or the Lot or Lots owned by him.

ARTICLE IV

DIRECTORS

Section 1. Number: The number of Directors shall be no fewer than three and no more than ten. The Directors shall be elected at the annual meeting of Members and each Director shall be elected to serve until his successor shall be elected and is qualified to serve on the Board. Unless otherwise prohibited by law, Directors may also serve as Officers of the Association.

Section 2. Meetings: Meetings of the Board may be held within or without the state of New Mexico and upon three days notice. A majority of Directors must be present to constitute a quorum at any meeting of the Board. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if, prior to such action, a written consent thereto is signed by all Members of the Board, and such written consent is filed with the minutes of the proceedings of the Board.

Section 3. Increase in Number: The number of Directors may be increased within the limits provided in Section 1 of this Article by the affirmative vote of a majority of the Directors or by the affirmative vote of a majority of the total number of votes of all Members voting on the issue at the annual meeting or at a special meeting called for that purpose, and by like vote the additional directors may be chosen at such meeting to hold office until the next annual election or until their successors are elected and qualified, whichever occurs first. The number of Directors may be increased above

ten by amendment of the By-laws.

Section 4. Compensation: No Director shall receive compensation for any service he may render as such to the Association. Any Director may be reimbursed for his actual expenses incurred in the performance of his duties as Director.

Section 5. Removal: Any Director may be removed from the Board, with or without cause, by a vote of a majority of the total number of votes of all Members voting on the issue. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve until their successors are elected and qualified.

Section 6. Resignation: Any Director, member of a committee or other officer may resign at any time. Such resignation shall be in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective.

Section 7. Vacancies: If the office of any Director, member of a committee or other office becomes vacant, the remaining Directors in office, though less than a quorum, may by majority vote appoint any qualified person to fill such vacancy and to hold office for the unexpired term of his predecessor and until his successor shall be duly chosen.

Section 8. Powers of the Board: In addition to all powers expressed or implied elsewhere herein, in the Articles of Incorporation of the Association, in the Declaration or by law, the Board shall have the power to:

- A. Exercise for the Association all powers, duties and authority vested or delegated to the Association.
- B. Employ a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties.
- C. Enforce the provisions of the Declaration; provided, however, that nothing herein shall be construed as prohibiting any Owner from pursuing whatever individual independent enforcement actions such Owner may have.

Section 9. Duties of the Board of Directors: It shall be the duty of the Board of Directors to:

- A. Cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members.
- B. Supervise all officers, agents and employees of the Association, and see that their duties are properly performed.

- C. Fix the amount of the regular annual assessment and change such amount if the Board deems such action necessary, and levy special assessments upon the affirmative vote of a majority of the total number of votes of all Members voting on the issue (a regular or special assessment is hereinafter referred to as an "Assessment").
- D. Send written notice of each Assessment to every Member.
- E. Enforce the lien referred to in Article VI against the Lots owned by any Member who owns a Lot for which any Assessment is unpaid and is overdue.
- F. Enforce the provisions of the Declaration; provided, however, that nothing herein shall be construed as prohibiting any Owner from pursuing whatever individual independent enforcement actions such Owner may have.

ARTICLE V

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers: The Officers of this Association shall be a President, Secretary and Treasurer and such other officers as the Board may from time to time by resolution create. Unless otherwise prohibited by law, Officers may also serve as Directors of the Association.

Section 2. Election of Officers: The Officers of this Association shall be elected by the Directors. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term: The Officers of the Association shall be elected annually by the Board and each shall hold office for one year unless such Officer shall resign, be removed or otherwise be disqualified to serve.

Section 4. 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 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 5. 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 he or she replaces.

Section 6. Duties: The duties of the Officers are as follows:

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 approved leases, mortgages, deeds and other written instruments and perform such other duties as may be required by the Board.

Vice-President: The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and perform such other duties as may be required by the Board.

Secretary: The Secretary shall record the votes and keep the minutes of meetings and proceedings of the Board and of the Association. The Secretary shall also 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 may be required by the Board.

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, disburse such funds as directed by resolution of the Board, keep proper books of account, and perform other duties as may be required by the Board.

ARTICLE VI

ASSESSMENTS

Each Owner is obligated to pay all Assessments levied with respect to the Lot or Lots of such Owner. All regular Assessments shall be due 30 days, and all special Assessments shall be due 45 days, following the date an Owner is sent notice thereof or at such later date as the Board shall declare. If an Assessment is not paid on the due date, all of the Lots owned by the Owner of the Lot on which such Assessment is unpaid shall be subject to a lien (an "Assessment Lien") against such Lots for the amounts specified below. If any Assessment on any Lot is not paid within 30 days immediately following the due date, the Assessment shall bear interest from the date due until paid at the Default Rate. The Association may, at its option, bring a legal action to foreclose the Assessment Lien against the Member's Lot or Lots in accordance with the then prevailing law of the State of New Mexico for the foreclosure of mortgages. The amount owed, which shall be secured by the Assessment Lien, shall be the delinquent Assessment together with interest at the Default Rate from the due date and all collection costs, including attorneys' fees, relating to such action. Each Member vests in the Association, or its agents, the right and power to bring all actions at law or equity against such Member for the collection of the delinquent Assessments and other sums just specified. The regular annual initial Assessment is to be one hundred twenty-five dollars (\$125.00) per Lot.

ARTICLE VII

AMENDMENTS

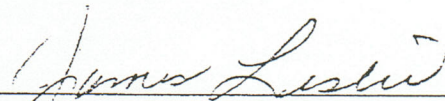
These By-Laws may be amended by action of the Board in accordance with applicable law. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall prevail, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall prevail.

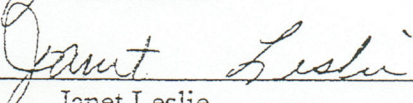
ARTICLE VIII

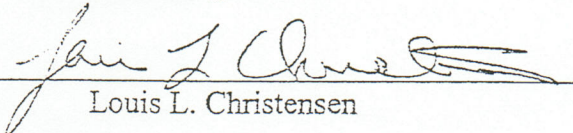
FISCAL YEAR

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

IN WITNESS WHEREOF, we being all of the Directors of Wild Horse Ranch Landowners' Association, Inc. have hereunto set our hands this 15 day of March, 1998.


_____, Director and President
James Leslie


_____, Director
Janet Leslie


_____, Director
Louis L. Christensen