

**Bylaws of Sky Country Estates
Property Owners Association**

**ARTICLE I.
IDENTITY**

Section 1: Name of Association. These are the Bylaws of the Sky Country Estates Property Owners Association, a non-profit unincorporated association (the "Association"), under the laws of the State of New Mexico, and organized for the purpose of administering that certain subdivision development located in Otero County, New Mexico, and known as Sky Country Estates (the "Development").

Section 2: Applicable Law. These By-Laws are enacted pursuant to the provisions of the New Mexico Non-Profit Corporation Act, N.M. Stat. Ann. §53-8-1 et seq. (2008) ("Act") and shall govern the Members within the Development and the Restrictive Covenants, as more fully described in the Disclosure Statement and the Restrictive Covenants recorded Book 811, Pages 252-261 and Book 811, Pages 262-265 of the Otero County Records.

Section 3: Purpose. The Association was previously operated as an unincorporated association by Prentice Blanscett, the organizer and developer of the Development. The purpose of the Association shall be to operate, manage, and maintain the Development's water system and roads, to establish a trash disposal system, to modify and, amend, and enforce the Restrictive Covenants, as needed in accordance with the terms and conditions of the Restrictive Covenants, and to carry out such other purposes as may be permitted under the laws of the State of New Mexico or approved by the Members.

Section 4: Membership. All Members within the Development shall be members of the Association. The owners of Lots within the Development shall be referred to hereinafter as "Property Owners" or "Members."

Section 5: Voting Rights. The voting rights of the Members and the Directors of the Associations are determined as follows:

Section 5.1: Members. All votes at any meeting of the Members shall be by majority vote except for the enacting and amending of the By-Laws of the Association, amending the Covenants, removal of any Director of the Association, and as expressly provided in these By-laws, which shall require a vote of 75% of the Members of the Association, as described in Paragraph 15D of the Covenants. Any Member of the Association shall be entitled to vote, based upon one vote per Lot, on all matters that may be approved by a majority of the Members.

**ARTICLE II.
OFFICES, WEB-SITE AND NOTICES**

Section 1: Principal Office. The principal office of the Association shall be at 15 Polaris Point, Cloudcroft, New Mexico 88317, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept in Otero County, New Mexico or at such other place as may be permitted by the Act from the to time. All of the Association's records, including the Articles of Incorporation and other Bylaws, meeting minutes, and published financial reports of the Association's operations will be maintained and available for inspection on the Website.

Section 2: Website. The Association shall establish and maintain a computer website ("Website") to be used solely by the Association and its members for information concerning the activities of the Association and for the delivery of notices of Association meetings to the Members, for the posting of any schedule of activities of the Association and the surrounding area, and for the posting of minutes of meetings of the Association.

Section 3: Fiscal Year. The fiscal year of the Association shall be the fiscal year of July 1 to June 30.

Section 4: Notices. Any notices required under these By-Laws unless otherwise provided by these Bylaws shall be made at least seven days in advance when delivered by regular mail, if conditions permit, and may be otherwise delivered by certified e-mail or facsimile at least 72 hours prior to the scheduled meeting of the Association's Members or the Board of Directors. A good faith effort must be made to accompany any delivery of a notice of a meeting of the Members with an agenda, which will identify the business that is expected to be brought before the meeting of the Members. Each Member, upon becoming a Member, shall elect the

manner in which the Member is to be notified of meetings and the Association shall deliver notice via the medium selected by the Member until modified in writing by the Member. Any modification of the medium by which members have elected to receive notice, to be effective, must be received by the Association at least ten days prior to any meeting of the Members or the Board of Directors.

Section 5: Definitions. For convenience, the Bylaws shall be referred to as the "Bylaws."

Section 6: Roberts Rules of Order. Any meeting of the Members and the Directors shall be conducted under the Roberts Rules of Order.

ARTICLE III. MEETINGS OF MEMBERS

Section 1: Eligible Members. A Member of the Association must be the fee simple owner of a lot(s) within the Development. Any lot(s) within the Development owned by a corporation, partnership, limited liability company, trust, or other entity or organization that is not a natural person ("Entity") may only be represented at any meeting of the Members by a representative authorized in writing, without limitation of authority, to act or vote on behalf of the Entity.

Section 2: Annual Meeting. The annual members' meeting shall be held in June (to coincide with the end of the fiscal year) at a place and time determined by the Board of Directors. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors, to approve the Budget for the subsequent fiscal year, and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting delivered as prescribed in these By-Laws to Members in advance thereof.

Section 3: Special Meetings. Special members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from 25% of the Members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Special meetings may also be called by Members in the manner provided for in the Act.

Section 4: Notice of Meeting; Waiver of Notice. Written notice of a meeting of members, which shall incorporate an identification of agenda items and state the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be delivered in accordance with the provisions of these By-Laws.

Notice of specific meeting(s) may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

Section 5: Attendance at Meetings. Members may attend any meeting of the Members by telephone but must notify the Board at least forty-eight hours in advance to assure that appropriate technical arrangements for the member(s) appearing by telephone.

Section 6: Special Provisions Relating to Election of Board of Directors. Regular election of the Board of Directors by the Members shall occur on the date of the annual meeting. In addition to the foregoing notice provisions, not less than forty-five days before a scheduled election, the Association shall deliver, in the manner prescribed by these By-Laws, to each Member entitled to vote, a first notice of the date of the election. Any Member or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary not less than thirty days before a scheduled election. The Association shall then mail or deliver a second notice of the meeting, in the manner prescribed by these By-Laws, to all Members entitled to vote therein, within fifteen days of the election, together with a ballot, which shall list all candidates.

Section 7: Quorum. A quorum at members' meetings shall be attained by the presence either or by proxy, of 25% of the voting rights represented in person or by proxy.

Section 8: Number of Votes. All elections for members of the Board of Directors shall be decided by majority vote, each member being able to cast its vote for each position of the Board of Directors open for election, provided that there shall be no

cumulative voting allowed.

Section 9: Order of Business. If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:

- Call to order by President;
- Appointment by the President of a chairman of the meeting (who need not be a member or a Director);
- Proof of notice of the meeting or waiver of notice;
- Reading of minutes;
- Reports of officers;
- Reports of committees;
- Member Comment Period
- Appointment of inspectors of election;
- Determination of number of Directors to be elected;
- Election of Directors;
- Unfinished business;
- New business;
- Adjournment

Such order may be waived in whole or in part by direction of the President.

Section 10: Minutes of Meeting. The minutes of all meetings of Members shall be kept in a book available for inspection by Members or their authorized representatives and Board members at any reasonable time and shall be posted on the Website. The Association shall retain these minutes for a period of not less than 5 years.

Section 11: Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or any action which may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote of any such members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of members at which a quorum of members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice must be given to members who have not consented in writing.

The notice shall fairly summarize the material features of the authorized action.

ARTICLE IV. DIRECTORS AND MEETINGS

Section 1: Membership. The affairs of the Association shall be governed by a Board of Directors of not less than five members but no more than seven, all of who must be Members of the Association. Except for the initial election, each Board member shall serve two year terms and shall hold office until the expiration of his or her term and until a successor shall have been elected and qualify at the annual meeting of the Members of the Association. Three of the initial Board of Directors shall be elected to terms of two years and the remaining two positions on the initial Board of Directors shall be elected to terms of one year.

Section 2: Powers and Duties. The Board of Directors shall have all powers and duties as provided in the Act, and any and all other such powers and duties as are necessary for the administration of the Association's affairs and the property management, maintenance and repair of the Development, which powers and duties shall specifically include the authority to engage the service of a manager of managing agent and to contract for the services required to manage the Association's water system, maintain the roads, and to establish a system for the disposal of trash.

Section 3: Removal of Directors. Any Director of the Association may be removed by a vote of 75% of the Members at a meeting called, in part, for the purpose of removing a Director. As soon as reasonably possible after the Members' removal of a Director, the Directors shall call a special meeting of the Members to elect a Director to replace the term of the Director removed by the Members. Notice of the special meeting of the Members to elect a new Director under this subparagraph shall be given in the

same manner as notice for annual meetings of the Members.

Section 4: Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, in the manner prescribed by these By-Laws and shall be transmitted at least seven (7) days prior to the meeting. Regular meetings of the Board of Directors shall be open to all Members.

Section 5: Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the President at the written request of three of the Directors or the written request of 25% of the Members. Notice of the meeting shall be given in the manner prescribed by these Bylaws, except in the case of emergency, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than 3 days prior to the meeting. Special meetings of the Board of Directors shall be open to all Members, and notice of such meetings, which notice shall specifically incorporate an identification of agenda items.

Section 6: Meetings. Special Assessments. Rules. Notice of any meeting of Directors at which non-emergency special assessments, or at which amendment to rules regarding Lot or Property use will be proposed, discussed or approved, shall be delivered in the manner prescribed by these By-Laws to all Members not less than 45 days prior to the meeting. Evidence of compliance with this 45 day notice shall be made by an affidavit executed by the Secretary of the Association and filed among the official records of the Association.

Section 7: Regular Assessments. Notice of any meeting in which regular assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessments.

Section 8: Member Attendance. Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee is present shall be open to all Members. Members shall have the right to speak at such meetings with reference to all designated agenda items.

Section 9: Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called, shall constitute such Director's waiver of notice of such meeting.

Section 10: Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors as specifically required by the Act or these By-Laws.

Section 11: Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. The agenda of any adjourned meeting may be amended in any subsequent notice of the rescheduling of the adjourned meeting.

Section 12: Joinder in Meeting by Approval of Minutes. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the Director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may vote by proxy but may not vote by secret ballot at any meeting of the Board of Directors. A vote or abstention for each Director present shall be recorded in the minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.

Section 13: Presiding Officer. The presiding officer at Directors' meetings shall be the President (who may, however, designate any other person to preside).

Section 14: Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be posted on the Website and kept in a book available for inspection by Members, or their authorized representatives, and Board members at any reasonable time. The Association shall retain these minutes for a period of not less than five years.

Section 15: Conflict of Interest. No conflict of interest, contract or transaction between the Association and one or more of its Directors, or between the Association and any other limited liability company, corporation, partnership, association, or other organization in which one or more of the Directors is a manager, director, or officer or has a financial interest, or one or more of the Directors is a manager, director or officer or has a financial interest shall be void or voidable solely for this reason, solely because the Director is present at or participates in the meeting of the Directors which authorizes the contract or transaction, or solely because such Director's vote is counted for such purpose, if:

Section 15.1. Material Facts. The material facts as to the relationship or interest and the contract or transaction are disclosed or are known to all of the other Directors and the Director's in good faith authorize the contract or transaction by the affirmative vote of 50% of the disinterested Directors, even though the disinterested Directors be less than a majority of the voting Directors.

Section 15.2. Contract Fairness. The contract or transaction is fair as to the Association as of the time it is authorized, approved, or ratified by the Directors.

Section 15.3. Interested Directors. Interested Directors may not be counted in determining the presence of a quorum at a meeting of the Directors which authorizes the contract or transaction.

Section 15.4. Validation. This provision shall not be construed to invalidate any contract or transaction which would be valid in the absence of this provision.

ARTICLE V. OFFICERS

Section 1: Executive Officers. The initial executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, all of whom need to be Directors, and all of whom shall be elected by the Board of Directors (which may create and fill other offices as provided herein) and who may be peremptorily removed at any meeting the Members in accordance with these By-Laws. No person may sign an instrument or perform an act in the capacity of more than one office. The Board of Directors, from time to time, shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association.

Section 2: President. The President shall be the chief executive officer of the Association. The President shall have all of the powers and duties that are usually vested in the office of president of an association.

Section 3: Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. The Vice-President also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the Vice-President of an association and as may be required by the Directors or the President.

Section 4: Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall attend to the giving of all notices to the members and Directors and other notices required by law. The Secretary shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the Secretary of an association and as may be required by the Directors or the President.

Section 5: Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors and the Members, for examination at reasonable times. The Treasurer shall submit a treasurer's report, which report shall include, at a minimum, an income statement, balance sheet, and statement of changes in financial position to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of Treasurer and as may be required by the Directors or the President. Upon approval of the treasurer's report at any meeting of the Directors, the approved monthly treasurer's report shall be posted on the Web-Site. The Treasurer shall present an annual treasurer's report which report shall include, at a minimum, an income statement, balance sheet, and statement of changes in financial position, to the annual meeting of the Members. Upon approval of the treasurer's report at the annual meeting of the Members, the approved monthly treasurer's report shall be posted on the Web-Site. All monies and other valuable

effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors. All disbursements of cash by the Association shall be approved by two of the Directors.

Section 6: Other. The Board of Directors may create additional offices and committees from time to time and appoint persons to fill such offices, subject to removal at the discretion of the Board.

Section 7. Compensation. Neither Directors nor officers shall receive compensation for their services as such and shall not be an officer or Director as an employee of the Association. Directors and officers shall be compensated for all actual and property out of pocket expenses relating to the proper discharge of their respective duties.

Section 8: Resignations. Any Director or officer may resign their post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of the Developer or officers who were not Members) shall constitute a written resignation of such Director or officer.

Section 9. Indemnification. The Association shall indemnify and defend the Directors for all actions taken by any Director and for all failures to take action. The Association's obligation to indemnify and defend the Directors shall include payment of all expense, liability, and loss, including attorneys fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement of claims against the Director for actions taken by the Director in performance of the Director's duties as a Director of the Association. Nothing herein shall be construed as requiring the Association to indemnify and defend any Director for any willful, intentional, or reckless acts of the Director in breach of the Director's fiduciary duty to the Association,

ARTICLE VI. COMMITTEES

Section 1: Committees. The following are the standing committees of the Association and the rules governing their functions. Each committee shall appoint a chairperson.

Section 2: Water Committee. The Water Committee, subject to the direction of the Association's Board of Directors, shall be responsible for the daily operation, maintenance, and management of the Association's Water System, including any wells, pipelines, and other equipment used to provide water to the Association's Members ("Water System") and shall report on its operation and maintenance of the Water System at each meeting of the Directors. The Water Committee shall submit a proposed budget for the annual operation of the Water System to the Directors. The Water Committee shall make recommendations to the Association for improvement of the Water System at the Association's annual meeting.

Section 3: Road Committee. The Road Committee, subject to the direction of the Directors, shall be responsible for the daily operation, maintenance, and management of the Association's Roads, as the roads are described on the plat of the Development ("Roads") and shall report on its operation and maintenance of the Roads at each meeting of the Directors. The Road Committee shall submit a proposed budget for the annual operation of the Roads to Directors. The Road Committee shall make recommendations to the Association for improvement of the Roads at the Association's annual meeting.

Section 4: Trash Committee. The Trash Committee, subject to the direction of the Directors, shall operate, manage and maintain any system developed by the Association for the pickup and disposal of the Association's Member's Trash ("Trash System"). The Trash Committee shall report on its operation of the Trash System at each meeting of the Directors. The Trash Committee shall submit a proposed budget for the annual operation of the Trash System and shall make recommendations to the Association for improvement of the Trash System to the Directors at the Association's annual meeting.

Section 5: Covenants Committee. The Covenants Committee, at the direction of the Association or the Directors, shall review and recommend amendments to the Covenants covering the Development. The Covenants Committee shall also be responsible for identifying and recommending to the Directors actions by the Association against any Member for violation of the Covenants.

Section 6: Budget Committee. The Budget Committee shall prepare and submit to the Board a proposed budget for the each fiscal year of the Association.

Section 7: The President may from time to time appoint such other committees as are necessary to conduct the work of the Association. Committee members shall serve at the pleasure of the Directors and may be removed or replaced at the discretion of the Directors. The Committees may be assigned projects by the Directors and the President.

**ARTICLE VII.
FISCAL MANAGEMENT**

Section 1: Fiscal Management. The Association adopts the following provisions for fiscal management of the Association:

Section 1.1: Adoption of Budget by Board. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association which shall detail all accounts, income, and items of expense, including website expenses, errors and omissions insurance for the Directors, and general liability insurance ("Common Expense"), determine the amount of Assessments payable by the Members to meet the expenses of the Development and allocate and assess such Common Expense among the Members in accordance with the provisions of these By-Laws. In addition to the Common Expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance (to the extent required by law). These accounts shall include, but not be limited to, maintenance, well repairs, road repair, water right purchase, trash disposal, utilities, as determined by the Board of Directors to be in the ordinary course of business ("Maintenance Budget"). The Board shall establish a reserve fund equal to 25% of the estimated cost of the Maintenance Budget.

Section 1.2: Reserves. The amount of reserves shall be computed by a means of a formula, which is based upon the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. If a meeting of Members has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

Section 1.3: Waiver of Reserves. The Board of Directors may vote to waive reserves for the first two (2) years of operation of the Association.

Section 2: Adoption of Budget. The adoption of a budget for the Development shall comply with the requirements hereinafter set forth:

Section 2.1: Notice of Meeting. A copy of the proposed budget of Common Expenses shall be mailed to each Member not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting. The meeting shall be open to the Members.

Section 2.2: Determination of Budget Amount. In determining whether a budget requires Assessments against Members in any year exceeding one hundred 115% of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions for reasonable reserves made by the Board of Directors in respect of repair or replacement of the Development Property or in respect of anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation Assessments for improvements to the Development Property.

Section 2.3: Assessments. Assessments against Members for their share of the items of the budget shall be made for the applicable fiscal year annually at least 20 days preceding the year for which the Assessments are made. Such Assessments shall be due and in equal installments, payable, at the option of the Members, in advance on the first day of each month or the first day of each quarter of the Association's fiscal year, in the year in which the Assessments are made. If annual Assessments are not made as required, Assessments shall be presumed to have been made in the amount of any previous Assessments, and quarterly installments on such Assessments shall be due upon the first day of quarter of the Association's fiscal year until modified by an amended Assessment. In the event the annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Directors, subject to the provisions of these By-Laws. Unpaid Assessments for the remaining portion of the fiscal year for which amended Assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended Assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter) commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Directors'

resolution or the Association's Bylaws and shall be effective on the first day of each quarter thereafter in the fiscal year in which the amended Assessments are approved.

Section 2.4: Assessments for Emergencies. Assessments for Common Expenses for emergencies that cannot be paid from the annual Assessments for Common Expenses shall be due only after 30 days notice is given to the Members, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments.

Section 2.5: Late Assessments. Assessments and installments thereon paid on or before thirty days after the date due may be assessed a late charge in an amount to be determined by a majority vote of the Members.

Section 2.5.1. Notice and Termination of Services. Members with outstanding Assessments that are more than 30 days delinquent must receive, prior to termination of services, written notice that the Association's services provided to the Member will be terminated and cut-off if not paid within 90 days of the due date of the delinquent Assessments. The Directors must terminate the services of the Association provided to any Member that remain delinquent for Any Assessment that is not paid within 90 days of the due date

Section 2.6. Lien. The Association has a lien on each Lot in the Development for any unpaid Assessments on such Lot, with interest, and for reasonable attorney's fees and costs incurred by the Association incident to the collection of the Assessment or enforcement of the lien. The lien is effective as of the date of the recording of notice of these By-Laws and this lien provision. The Association, after a Member's services have been terminated, may evidence the amount of the Association's Lien against a Member's Lot by the recording of a claim of lien in the Records of Otero County for the unpaid fees and assessments, stating the description of the Lot, the name of the record owner, the name and address of the Association, the amount due and the due dates.

Section 2.6.1. Continuing Lien. The Association's lien on the property of the Members is continuing and must not be terminated at any time by any action of the Directors.

Section 3: Rules and Regulations. The Board shall, adopt and post on the Association's website, regulations for the establishment of rates, billing, and collection not specifically provided for in these By-Laws.

Section 4: Depository. The depository of the Association shall be such bank or banks in the State of New Mexico as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited in the Association's name. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. Reserve funds may be maintained in the same account with operating funds for investment purposes. However, separate ledgers shall be maintained for operating funds and for reserve funds.

ARTICLE VIII. AMENDMENTS

Section 1: Amendments. These By-Laws may be amended, as provided in rule 15D of the Covenants by a vote of 75% of the Members; provided that notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.

Section 2: By-Laws. The President and Secretary may, assuming appropriate authority from the Members, prepare, execute, certify and post any amendments to the By-Laws on behalf of the Association.

ARTICLE IX. DEVELOPMENT COVENANTS

Section 1: Restrictive Covenants. The Restrictive Covenants were filed of record on August 29, 1995, at Book 811, Pages 262-265 and may be amended by a vote of 75% of the owners of the fee or equitable title to a Lot, with each owner being entitled to one vote per two acres in each Lot. No Lot or Property Owner may vote fractional interests.

ARTICLE X. COMPLIANCE

These By-Laws are adopted to comply with the New Mexico Non-Profit Corporation Act to which reference is made to the definitions and provisions thereof and are incorporated herein by reference to complement these bylaws.

The foregoing was adopted as the Bylaws of Association of Members of the Sky Country Estates Property Owners Association, a not for profit association organized under the laws of the State of New Mexico, on the 1st day of DEC. 2008, 2008.

Approved: Arnold Begem
(President)

Attest: Margie K Jones
(Secretary)

Sheila T. ...
NOTARY Sheila T. ...
PUBLIC State of New Mexico
County of Otero
Comm. Exp. 1-27-2014

REC DATE: 1/13/11 REC TIME: 12:50:18 PM INSTR#: 201100377 CLK On
OTERO COUNTY, ROBYN HOLMES COUNTY CLERK PAGE 9 OF 9

