

**BYLAWS OF
LA TIERRA ESCONDIDA COMMUNITY ASSOCIATION, INC.**

ARTICLE I: NAMES, SEAL AND OFFICES

Section 1. NAME. The name of this Corporation is La Tierra Escondida Community Association, Inc., hereinafter referred to as the Corporation or the Association.

Section 2. SEAL. The Board of Directors may adopt and change the form of the corporate seal or the inscription thereon at its pleasure.

Section 3. OFFICES. The principal office of the Corporation were initially established at 5465 Remington Road, Las Cruces, New Mexico 88011. At the organizational meeting the directors determined that due to the sale of 5465 Remington Road by Jarrett Hines (and Connie Hines) it was necessary to change the principal place of business to 2100 Sorrento Place, Las Cruces, New Mexico 88005, the residence of Mitch Hines. The Board of Directors may from time to time direct that another place be established as the principal office of the Corporation. The principal office may be at the residence of an officer of the Corporation. The Corporation may also maintain offices at such other places as the Board of Directors may determine. Once the Association is able to obtain an address within La Tierra Escondida Subdivision, the Directors shall change the principal office to the address in the Subdivision, and provide notice to the New Mexico Public Regulation Commission of such change.

Section 4. LIABILITY. No member of the Board, no officer, and no member of the Architectural Review Committee shall be personally liable to any Member or other person or entity, including Grantor, for any error or omission of the Association, its representatives and employees, or the Architectural Review Committee; provided, however, that such member of the Board or officer has, with the actual knowledge possessed by him or her, acted in good faith.

Section 5. DEFINITIONS AND INTERPRETATION. Unless otherwise defined herein, terms used herein shall have the same meaning as in the Declaration of Covenants recorded in the office of the Dona Ana County Clerk (Book 616, at pages 184-232, hereinafter "the Covenants"). These By-laws shall be interpreted and applied consistent with the Covenants, pursuant to which the Association was incorporated.

ARTICLE II: MEMBERS AND MEETINGS OF MEMBERS

Section 1. MEMBERSHIP. The Corporation shall have one class of members. The Owner or Owners of each Lot in La Tierra Escondida Subdivision, in Dona Ana County, New Mexico, including any phases of the Subdivision Annexed after the formation of the Association consistent with the Covenants, by virtue of being an Owner, and for so long

as he or she is an Owner, shall be a Member of the Association. No person or entity shall be a Member by virtue of owning an interest in a Common Area, property owned by government or public bodies or dedicated to public use, or otherwise 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.

There shall be no membership dues. However, the rights of a Member may be suspended by the Board of Directors, including for failure to pay Assessments due from the members consistent with the Covenants, as further detailed herein.

Section 2. ANNUAL MEETING. There shall be an annual meeting of the Members, to be set by the Board of Directors. The Board of Directors shall give an annual report to the Members concerning the affairs of the Corporation. Notice of the time and place of the annual meeting shall be mailed to all Members at least fourteen (14) days prior to the meeting and may be included in any newsletter or circular sent to the Members. Delivery of the notice shall be complete upon mailing the notice to the Member's address last known to the Corporation with proper postage affixed. It is the Member's obligation to keep the Corporation advised of the member's current mailing address.

Section 3. SPECIAL MEETINGS. The Board of Directors may call such special meetings of the Members as the Board of Directors deems appropriate upon such notice as the Board of Directors deems appropriate, but in no event on less than ten (10) days written notice if there is to be a vote of the Members at the meeting, in which case the general subject matter of the vote must also be stated in the notice.

Section 4. VOTING. Subject to Members' pledge to Grantor as provided in the Covenants, the Members shall be entitled to vote on the election of Directors of the Corporation, and on any other matters referred to a vote of the members by the Board of Directors consistent with these By-laws.

Upon Grantor giving notice to the Association of the Members' right to do so consistent with the Covenants, the Members shall elect an Architectural Review Committee to carry out the responsibilities of that Committee as set forth in the Covenants.

The Owner or Owners of each Lot in La Tierra Escondida Subdivision shall be entitled to one (1) vote regardless of the number of Members owning an interest in the Lot. When more than one person holds an interest in any Lot, the one (1) vote for the Lot shall be exercised as the multiple Owners determine. If the Owners cannot agree, no vote for that Lot may be exercised.

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 any Member may be by written proxy.

Section 5. RIGHTS OF MEMBERS TO USE COMMON AREAS. All Members, members of their families, their guests, or renters who actually reside within the Subdivision and have been assigned the rights of the Owner Member, have a right to use all Common Areas within the Subdivision (including within different phases added by Annexation) on a non-exclusive basis subject to the Subdivision Rules.

ARTICLE III: BOARD OF DIRECTORS

Section 1. APPOINTMENT AND ELECTION. The initial Board of Directors was appointed by the Incorporator. Consistent with the Covenants, each Member has pledged to vote to elect Grantor's choice for members of the Board until the Grantor provides notice to the Association that Grantor no longer owns any Lot in the Subdivision, or otherwise releases this pledge. Grantor may release this pledge in part, as to one or more directors, or in full, at Grantor's discretion, so long as Grantor retains ownership of at least one Lot, after which Grantor shall release this pledge in full. After the Grantor provides the Association with such notice, the Association shall hold a meeting of the Members, at which time one or more directors (consistent with Grantor's release) shall be elected consistent with these By-laws.

Section 2. ANNUAL MEETING. The annual meeting of the Board shall be held immediately following the annual meeting of the Members, or as otherwise set for the convenience of the members of the Board.

Section 3. CONTRACTS AND SERVICES. The directors and officers of the Corporation may be interested directly or indirectly in any contract relating to or incidental to the operations conducted by the Corporation, and may freely make contracts, enter transactions, or otherwise act for and on behalf of the Corporation, notwithstanding that they may also be acting as individuals, or as trustees of trusts, or as agents for other persons or corporations, or may be interested in the same matters as directors or otherwise; provided, however, that when any contract, transaction or act on behalf of the Corporation is a matter in which the directors or officers are personally interested the transaction otherwise shall be at arm's length with full disclosure of such interests to the Board of Directors, and not violative of the prescriptions in the certificate of incorporation against the Corporation's use or application of its funds for private benefit.

Section 4. COMPENSATION. Directors shall not receive any stated salary for their services. However, the Board of Directors shall have power in its discretion to contract for and to pay to directors rendering unusual or exceptional services to the Corporation special compensation appropriate to the value of such services.

Section 5. PROXY. Any member of the Board of Directors may for any purpose give his or her proxy to another member of the Board in accordance with this provision. A proxy may provide for a specific vote or votes on any matter or matters or it may give discretion in voting to the holder of the proxy or any combination of these. All proxies shall be in writing signed by the director, with his or her signature being notarized, and shall name the holder of the proxy and shall designate the date of the meeting for which it applies. A separate proxy shall be required for each meeting, but a proxy shall remain effective at any subsequent meeting which resulted from the adjournment of a previous meeting. Unless otherwise explicitly stated in the proxy, a proxy, even one given for a single purpose, shall be counted in ascertaining whether or not a quorum is present. All proxies shall be presented to the secretary at the commencement of the meeting. The secretary must reject any proxy that is not signed, or which is not notarized or which does not indicate the date of the meeting to which it pertains, or which does not name the holder of the proxy and may reject any proxy that does not otherwise conform with the requirements of these By-laws. The holder of a proxy may not give a further proxy unless the original proxy grants that right.

ARTICLE IV: OFFICERS

Section 1. NUMBER, QUALIFICATIONS, ELECTION AND TERM OF OFFICE. The officers of the Corporation shall consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers with such powers and duties not inconsistent with these By-laws as may be appointed and determined by the Board of Directors. The same person may not hold the offices of president and vice-president or the offices of president and secretary; otherwise the same person may hold any two or more offices.

Section 2. VACANCIES. A vacancy in any office not otherwise provided for shall be filled for the unexpired portion of the term by the majority vote of the directors present when there is a quorum at any regular or special meeting.

Section 3. PRESIDENT. The President shall be the chief executive officer of the Corporation, shall have general charge of the business, affairs and property of the Corporation in its general operations, and shall do and perform such other duties as may be assigned to him or her by the Board, and shall be an ex-officio member of all committees.

Section 4. VICE-PRESIDENT. During the absence or disability of the President, the Vice President or, if there be more than one, the First Vice-President, shall exercise all the functions of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. If the office of the President should become vacant, the First Vice-President shall assume such office for the unexpired term. Each vice- President shall have such powers and discharge such duties as may be assigned to him from time to time by the Board.

Section 5. SECRETARY. The Secretary shall: cause all notice to be duly given in accordance with the provisions of the Articles and the By-laws; keep, or cause to be kept, the minutes of all regular and special meetings of the Board and the membership; and in general, perform all duties incident to the office of the Secretary; including attesting the signature of the President although another officer may also make that attestation.

Section 6. TREASURER. The Treasurer shall: have charge of and supervision over and be responsible for the funds, securities, receipts and disbursements of the Corporation; keep, or cause to be kept, all the books of account of all the business and transactions of the Corporation; render to the President or the Board, whenever requested, a statement of the financial condition of the Corporation and of all his or her transactions as Treasurer; render a full financial report, based on the books and accounts prepared annually by a certified or other public accountant, at the annual meeting of the Board; and in general, perform all duties incident to the office of the Treasurer. The Board of Directors shall retain the services of a Certified Public Accountant to work with the Treasurer in keeping the books and records of the Association throughout the year.

Section 7. REMOVAL OF OFFICERS. Any officer may be removed from office, with or without cause, by the affirmative vote of a majority of the Board of Directors who are present when there is a quorum, at any regular meeting, or at a special meeting called for that purpose. Any such officer proposed to be removed shall be entitled to at least ten (10) days written notice by mail of the proposed removal and of the meeting time and place at which such removal is to be voted upon and shall be entitled to appear before and be heard at such meeting. Delivery of the notice shall be complete upon mailing the notice to the officer's address last known to the Corporation with proper postage affixed, or by hand-delivery by a member of the Board or another officer.

Section 8. CHECKS AND BOND. The President, First Vice-President, Treasurer, or any other officer designated by the Board, shall be authorized to sign checks and drafts of the Corporation and they shall not be required to give bond for the faithful discharge of their duties unless otherwise specifically required by a resolution of the Board of Directors in which case the expense of such bonding shall be paid by the Corporation.

ARTICLE V: COMMITTEES

The Board of Directors may from time to time establish and abolish such special committees as a majority of the directors present when there is a quorum deems appropriate. Members of committees need not be members of the Board of Directors or members of the Corporation; however, at least one member of the board shall be a member, and may be the chair of each committee, whether standing or other.

ARTICLE VI: DUTIES AND AUTHORITY OF THE ASSOCIATION

Section 1. GENERAL AUTHORITY. The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a non-profit corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in its Articles of Incorporation, these By-Laws, and in the Covenants, to do any and all lawful things which may be authorized, required or permitted to be done by the Association and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and general welfare of the Members.

Section 2. MEMBERS AND PROPERTY. The Association shall accept all property Annexed to the Subdivision as within the Association's jurisdiction, and shall accept all Owners as Members of the Association. The Association shall accept from Grantor the fee or leasehold estate in all Common Areas from time to time transferred to it, subject to the reservations of all easements, licenses and rights to use, and the rights of Grantor. The Association shall maintain, or provide for the maintenance of Common Areas and all Improvements thereon including, without limitation, recreational facilities, in good order and repair. The Association shall have no maintenance responsibility with respect to Improvements installed by other than the Association or Grantor, unless the Association has been authorized to accept a grant or other basis for such responsibilities by a majority vote of the Members.

Section 3. TAXES. To the extent not assessed to or paid by the Owners, the Association shall pay all real property taxes and assessments levied upon Common Areas. The Association shall have the right from time to time to pay, compromise or contest any and all taxes and assessments levied against all or part of Common Area or upon any personal property belonging to the Association.

Section 4. INSURANCE. The Association shall obtain and maintain in force such policies of insurance, as shall be deemed necessary or desirable by the Board. Each policy of fire and extended coverage insurance and all other policies of insurance obtained by the Association whether or not required to be obtained pursuant to the provisions of this Declaration, shall expressly waive any and all rights of subrogation against Grantor, its representatives and employees.

Section 5. CONTRACTS AND SERVICES. The Association may employ the services of a professional manager or managers to manage the affairs of the Association and any part of its Common Area, and, to the extent not inconsistent with the laws of the State of New Mexico and upon such conditions as are otherwise deemed advisable by the Association, the Association may delegate to the manager any of its powers. The Association shall have the power to contract and pay for, or otherwise provide for, the maintenance, restoration and repair of the Common Area and all improvements of whatever kind and for whatever purpose, located upon Common Area and procure all necessary utility,

security, and other services therefor; to contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys and certified public accountants, and such other professional and non-professional services as the Association deems necessary; and to contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment and labor as and to the extent the Association deems necessary. The Association shall have the power to pay and to discharge any and all liens from time to time placed or imposed upon any Common Area, on account of any work done or performed by or on behalf of the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration; to purchase, lease or contract for the use of land and Improvements for recreational or other purposes to the extent the Association deems necessary; and to convey Association property with the approval of a majority vote by the Members.

Section 6. SUBDIVISION RULES. The Association may, from time to time and subject to the provisions of the Covenants, adopt, amend and repeal rules and regulations, to be known as the "Subdivision Rules". Subdivision Rules may govern the use of Common Areas, provided that Members or the tenant of any Lot who is granted a Member's rights of use in place such Member shall be treated on a non-discriminatory basis and shall not be deprived of use except for suspension of their rights as set out below, subject to regulations as to time and method of use, including allocations of time for specific groups using such facilities for classes or competition, reasonable restrictions based on age, and rules necessary or convenient for safety.

A copy of the Subdivision Rules, as they may from time to time be adopted, amended or repealed, shall be mailed to each Member and posted but the failure to properly mail and post shall not invalidate the Subdivision Rules or prevent their enforcement.

Section 7. ENFORCEMENT. The Association shall have the authority to enforce the Covenants, Subdivision Rules, rules and decisions of the Architectural Review Committee, and these By-laws as determined appropriate within the discretion of the Board of Directors. The Association shall have the power and authority from time to time, in its own name, and on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Covenants and to enforce, by mandatory injunction or otherwise, all of the provisions of the Covenants.

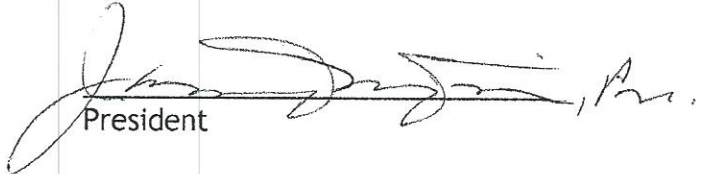
The Board may suspend the voting rights and/or the rights to use Common Areas and facilities of a Member, and all persons using such Members privileges, for violation of the Covenants (including failure to pay an Assessment), the Association's Articles, these By-Laws, or Subdivision Rules. Such suspension shall be limited to a period of thirty (30) calendar days after curing any violation. The Association shall not have the power or right to deny Members' access to Members' Lots over the Community Streets. Prior to any such suspension of a Member's rights, the Association shall give the Member at least ten (10) calendar days written notice, and if the Member objects in writing prior to the


expiration of such term, shall provide for the Member to have a hearing before the Board prior to any such suspension taking effect.

Section 8. GRANTS OF EASEMENTS. With respect to its estate in Common Areas, the Association shall have the power and authority from time to time to grant and convey easements or rights of way, in, on, over and under any Common Area, for the purpose of constructing, erecting, operating and maintaining utility lines and facilities and other lines and facilities for the benefit of the Subdivision or Owners.

Section 9. UPON DISSOLUTION. Immediately prior to any dissolution or incapacity of the Association as a corporate entity the Association shall transfer its estate in Common Areas to another qualifying not-for-profit, to a governmental entity, willing to manage the Common Areas for the benefit of the Owners, or, if no entity is willing to manage the Common Areas for the Owners, to the Members, to hold an equal, underlying beneficial interest in all of the Association's property in direct proportion to the number of Lots owned by each Member, if to do so is allowed by applicable law. If no entity is willing to manage the Common Areas for the benefit of the Owners, and applicable law will not allow distribution to the Members as provided for herein, then the Association's interests and assets shall be distributed to a local governing authority or non-profit entity willing to manage the interests for the community or general public.

These By-laws are hereby adopted by the Board of Directors on this 6th day of July, 2005.


President

ATTEST:

Secretary