



BY-LAWS OF
PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC.

PREAMBLE

This is a Nonprofit Corporation organized and operated under the applicable laws of the State of New Mexico and the New Mexico Nonprofit Corporation Act, NMSA 1978, Sections 53-8-1 through 53-8-99 (Repl. Pamp. 1983 & Cum. Supp. 1994).

ARTICLE I

OFFICE

Section 1.1. Principal Office. The principal office of the corporation in the State of New Mexico shall be located as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Section 1.2. Registered Office and Registered Agent. The corporation shall have and continuously maintain in the State of New Mexico a registered office and a registered agent, as required by law. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.1. Areas. The term "Areas" shall have the same meaning as set forth in the Declaration.

Section 2.2. Assessments. The term "Assessments" shall have the same meaning as set forth in the Declaration.

Section 2.3. Association. The term "Association" shall have the same meaning as set forth in the Declaration.

Section 2.4. Common Facilities. The term "Common Facilities" shall have the same meaning as defined in the Declaration.

Section 2.5. Common Properties. The term "Common Properties" shall have the same meaning as defined in the Declaration.

Section 2.6. Declarant. The term "Declarant" shall have the same meaning as set forth in the Declaration.

Section 2.7. Declaration. The term "Declaration" shall mean and refer to the Petroglyph Trails Subdivision Comprehensive Declaration of Covenants, Conditions and Restrictions (and amendments and supplements thereto) recorded in the Office of the County Clerk of Sandoval County, New Mexico. Any item capitalized in these By-Laws which is not defined herein shall have the meaning set forth in the Declaration.

Section 2.8. Lot. The term "Lot" shall have the same meaning as set forth in the Declaration.

Section 2.9. Member(s). The term "Member(s)" shall have the same meaning as set forth in the Declaration.

Section 2.10. Multi-Family Use. The term "Multi-Family Use", when referring to lots, shall have the same meaning as set forth in the Declaration.

Section 2.11. Phasing Plan. The term "Phasing Plan" shall have the same meaning as set forth in the Declaration.

Section 2.12. Property. The term "Property" shall have the same meaning as set forth in the Declaration.

Section 2.13. Single-Family Residential Use. The term "Single-Family Residential Use", when referring to lots, shall have the same meaning as set forth in the Declaration.

ARTICLE III

MEMBERSHIP

Section 3.1. Qualifications for Good Standing. In addition to those qualifications set forth in Article IX of the Declaration and in the Articles of Incorporation, the qualifications for being a Member in good standing shall be as follows:

- (a) Full payment of any and all Assessments levied by the Association against the Member's Lot; and
- (b) Full compliance with the Declaration and any rules and regulations promulgated by the Association.

Section 3.2. Voting. The right to vote shall be as stated in Article IX of the Declaration. However, to the extent there is a rezoning of certain Lots to Multi-Family Use, only the Owners of Lots rezoned to Multi-Family Use shall be entitled to vote on matters strictly effecting their lots, and only the Owners of Lots zoned for Single-Family Residential Use shall be entitled to vote on matters strictly effecting their lots. All lot Owners will be entitled to vote on matters effecting any Common Facilities and Common Properties available for use by all Owners, occupants and their invitees. Only Members in good standing shall have the right to vote. Declarant, and any developer to whom Declarant sells any entire Area, shall be entitled to cast three (3) votes for each Lot it owns until the first to occur of (a) the conveyance by Declarant (or such developer, as applicable) of all lots, and any tracts, it owns within Petroglyph Trails to persons or entities unrelated to it or its members, or (b) the recording of a written waiver by Declarant (or such developer) of its voting rights.

ARTICLE IV

MEETINGS OF MEMBERS

Section 4.1. Annual Meeting. The annual meeting of the Members of this Association shall be held on the first Tuesday of the month of November each year at 6:30 p.m. at a location selected by the Board of Directors within 10 miles of the Subdivision, within the County of Sandoval, State of

New Mexico. If it is not possible or practical to hold the annual meeting on said date, the Board of Directors may set the annual meeting for some other day in November, but in no event shall the annual meeting be held less than thirty (30) days before the end of each fiscal year. At the annual meeting, the Board of Directors shall present an accounting of the expenses, itemizing receipts and disbursements for the current calendar year, the allocation thereof to each Member, and the estimated budget for the coming calendar year, and any other business which may properly be brought before the Association.

Section 4.2. Special Meetings. Special meetings of the Members of the Association may be called at any time by the President, or upon resolution signed by at least a majority of the Board of Directors, or upon written petition to the President signed by ten percent (10%) of the Members. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted except such as is specified in the notice.

Section 4.3. Notice. Notice of meetings of the Members of the Association, both regular and special shall include the purpose, place, date and hour of the meeting and shall be given to each Member of record in writing and delivered either personally or by mail to the address shown upon the books of the Association, at least ten (10) days prior to the meeting, but not more than fifty (50) days prior to the meeting.

Section 4.4. Order of Business. The order of business at the annual meetings, and as far as possible at other meetings, shall be:

- (a) Calling to order and proof of quorum;
- (b) Proof of notice of meeting;
- (c) Reading and action taken upon the minutes of the last meeting;
- (d) Reports of Directors;
- (e) Reports of Officers and Committees;
- (f) Election of Directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

Section 4.5. Quorum. The presence at a meeting of Members entitled to cast, and/or of proxies entitled to cast, ten percent (10%) of the then existing voting rights of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented by proxy.

Section 4.6. Proxies. At all meetings of Members, each Member may vote in person or by proxy upon such terms as may be determined from time to time by the Board of Directors of the Association. All proxies shall be in writing, sealed and personally delivered by the person executing the proxy to a board member or returned by the United States Postal Service to the person designated by the Board of Directors, and filed with the Association Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 4.7. Voting. All Members of the Association in good standing, except the Declarant and a developer owner of an Area, shall be entitled to one (1) vote (in person or by proxy) for each Lot owned at any meeting of Members of the Association, on matters strictly effecting their type of lot (i.e. residential or multi-family, to the extent some lots are rezoned for multi-family use), and on any

matters submitted to a vote of the Members of the Association that effect all Lots within the Subdivision (see Section 3.2). If more than one person holds an interest in any Lot, all such persons shall be Members of the Association. The vote for such multiply-owned Lot shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Declarant, and any developer to whom Declarant sells an Area, shall be entitled to cast three (3) votes for each Lot it owns until the first to occur of (a) conveyance by Declarant, or such developer, of all lots, and any tracts, it owns within the Subdivision or (b) a recorded written waiver by Declarant, or such developer, of its voting rights.

ARTICLE V

DIRECTORS

Section 5.1. Number of Directors. The business and affairs of the Association shall be conducted and managed by a Board of not less than three (3) and not more than five (5) Directors who shall be members of the Association or the authorized agent of a member corporation or partnership.

Section 5.2. Term of Office. The initial Directors appointed by Declarant shall serve for a minimum of two years. If any of said initially appointed board members resigns, they shall be replaced with Directors likewise appointed by Declarant. However, a transition of the board of directors from Directors appointed by Declarant to directors elected by members of the Association shall occur as follows: Once 25% of all of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant, or two years after the filing of these Articles of Incorporation, whichever is later, one seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. Similarly, once 50% of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant, a second seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. Once 75% of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant, a third seat on the board of directors will be put up for election at the next annual meeting, or a special meeting called for said purpose. At such time as 100% of the of the lots within all Areas of the Property have been sold and conveyed from Declarant, or its successors or assigns, to persons or entities unrelated to Declarant and unrelated to the members of Declarant the fourth member of the board appointed by Declarant shall resign and the board of directors shall thereafter consist of three (3) Directors, unless the members of the Association vote to change the number of Directors by amendment to these By-Laws. Any Director appointed by Declarant may run for open election so long as Declarant has not sold or conveyed 100% of its lots to persons or entities related to Declarant and its members. When calculating the number of lots within the Property and the percentage of lots that are to be sold and conveyed before seats on the board of directors open up to member election, any lots added to the property by way of rezoning or replatting shall be counted towards such percentages. However, in no event shall a Director who has been elected by the members lose his/her seat should the Property be rezoned or replatted after his/her election. Elected Directors shall serve two year terms.

Section 5.3. Directors' Meetings. Regular meetings of the Board of Directors shall be held as the Board may determine and at such place and hour as may be fixed from time to time by resolution of the Board. Special meetings of the Board of Directors 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. Directors' meetings shall be open to any Member of the Association.

Section 5.4. Quorum. A majority of the total number of Directors shall constitute a quorum for the transaction of business. Each act or decision done or made by the Directors shall require the assent of a simple majority of the quorum.

Section 5.5. Removal and Replacement of Directors. Any Director or Officer of the Association may resign in writing at any time. At such time as the Members of the Association have the right to vote for Directors on the Board of Directors, any Director or Officer of the Association, other than a Developer appointed Director, may be removed from office, with or without cause, by a vote of not less than two-thirds (2/3) of the Members of the Association present at any annual meeting, or at any special meeting called for that purpose, assuming quorum has been met. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Directors on the Board and shall serve until the next meeting of the Association when another will be elected for the unexpired term.

Section 5.6. Compensation of Director. No Director shall receive compensation for any service he or she may render to the Association; however, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5.7. Action of Directors Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting of the Directors which could be taken at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5.8. Nomination. Any member may nominate himself or any other Member for election to the Board of Directors by submitting the name of said nominee in writing to the Board of Directors at least thirty (30) but not more than sixty (60) days before the annual meeting of Members. The written nomination may be accompanied by a resume, curriculum vitae, position statement or any statement of goals or qualifications deemed appropriate by the nominating party. The names of the nominees and the written statements presented shall be made available to all Members at least ten (10) days prior to the election. In addition to the foregoing, any member may nominate himself or any other member for election to the Board of Directors from the floor at the annual meeting.

Section 5.9. Election. Election of the Board of Directors shall be by written ballot. At such elections the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting is not allowed.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1. Powers. A majority of the Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations ("Rules and Regulations") governing the use of the Common Facilities and Common Properties, and the personal conduct of the Members and their guests thereon, and to establish fines and/or penalties for the infraction thereof;
- (b) Imposed reasonable sanctions for violation of the Declaration, these By-Laws, and/or any Rules and Regulations after notice and a hearing in accordance with the procedures set forth in Article X and XI of the Declaration including, without limitation:

- (i) imposing reasonable monetary fines which shall constitute a lien upon the violator's Lot. (In the event that any occupant, guest or invitee of an Owner violates the Declaration, the By-Laws, and/or any Rules and Regulations and a fine is imposed, the fine shall first be assessed against the violator, but if the fine is not paid by the violator within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Board of Directors);
- (ii) suspending an Owner's right to vote;
- (iii) suspending any person's right to use any facilities within the Common Facilities and Common Properties; provided, however, nothing herein shall authorize the Board of Directors to limit ingress, or egress to or from a Lot;
- (iv) exercising self-help or taking action to abate any violation of the Declaration, the By-Laws, and/or any Rules and Regulations;
- (v) requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of the Declaration and to restore the Lot to its previous condition;
- (vi) without liability to any person, prohibiting any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the Declaration from continuing or performing any further activities in the Subdivision; and
- (vii) levying specific assessments to cover costs incurred by the Association to bring a Lot into compliance with the Declaration, the By-Laws, and/or any Rules and Regulations.

In addition, the Board of Directors may take the following enforcement actions to ensure compliance with the Declaration, the By-Laws, and/or any Rules and Regulations, without the necessity of compliance with the procedures set forth in Article XI of the Declaration; exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of any parking rules and regulations); and bringing suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

In addition to any other enforcement rights, if an Owner fails to properly perform such Owner's maintenance responsibility, the Board of Directors may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment. Except in an emergency situation, the Board of Directors shall provide the Owner with reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in the Declaration and/or By-Laws shall be cumulative of any remedies available at law or in equity. In any action to

enforce the Declaration, the By-Laws, and/or any Rules and Regulations, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

The Board of Directors shall not be obligated to take any action if the Board of Directors reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed as a waiver of the right of the Association to enforce such provision at a later time and under other circumstances or estop the Association from enforcing any other covenants, restriction or rule.

- (c) Suspend the good standing of any Member as specified in Article III of these Bylaws;
- (d) Make repairs and replacements to the Common Facilities and Common Properties as may be reasonably necessary to protect the overall security, appearance, value and continuity of the Lots or the health and safety of the Members, Owners, residents and guests; to levy and assess the actual costs and expenses thereof to the Individual Members; to record a lien therefore; and to foreclose said lien as permitted by law;
- (e) 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, or the Declaration;
- (f) Declare the office of a Director on the Board of Directors to be vacant in the event such Director shall be absent from four (4) consecutive regular meetings of the Board of Directors and fill that vacancy;
- (g) Employ a property manager, independent contractors, or such employees as they deem necessary, and to prescribe their duties.
- (h) Incur debt and approve contracts, provided however, Common Facilities and Common Properties are not mortgaged or conveyed without consent and affirmative vote of two-thirds of the Members, excluding Declarant;
- (i) Bring suit or participate in or commence any proceeding, whether judicial or administrative, as necessary to protect the interests of the Association, provided, however that suits and proceedings other than for the collection of monetary fines and assessments and/or the enforcement of the Declaration against Owners, shall not be commenced without consent and the affirmative vote of two-thirds of the members;
- (j) Appoint committees as deemed appropriate in carrying out the purposes of the Association; and
- (k) Levy assessments and fines and pursue the enforcement and collection thereof in accordance with the provisions of these Bylaws, the Declaration and the laws of the State of New Mexico.

Section 6.2. Duties. 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 to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting;
- (b) Supervise all officers, agents and employees of this Association, to insure that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (i) Fix the amount of the regular assessment for the next year against each Lot (and the date(s) on which it is to be paid, e.g., annually, semi-annually, monthly), at least thirty (30) days in advance of each annual meeting. Such regular assessment amount may be increased or decreased upon thirty (30) days written notice;
 - (ii) Send written notice of the regular assessment amount for the next year (and any notice of an increase or decrease), to every Member subject thereto at least ten (10) days in advance of each annual meeting or if applicable, at least thirty (30) days in advance of such increase or decrease;
 - (iii) Fix the amount of any special assessment against each Lot as provided in the Declaration and send statements to each Member as provided for therein;
 - (iv) Send written notice of each special assessment to every Member subject thereto at least thirty (30) days in advance of the due date; and
 - (v) Fix the amount of any fines or penalties as provided in the Declaration and send notice thereof to the applicable Member(s) as provided for therein;
 - (vi) Fix the amount of any transfer fees associated with the disposition of member Lots as provided in the Declaration and send notice thereof to every member.
 - (vii) Foreclose the lien of the Association against any Lot for which assessments or fines are not paid within thirty (30) days after the due date or to bring an action at law against the Member, or former Member, personally obligated to pay the same when, in the discretion of the Board of Directors, such action would be in the best interests of the Association.
- (d) Issue, or cause an appropriate officer to issue, upon reasonable demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) Procure and maintain adequate liability and hazard insurance on property owned or maintained by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, if in the discretion of the Board of Directors such bond is deemed appropriate;
- (g) Procure and maintain adequate directors and officers liability insurance coverage for the officers and directors of the Association if deemed necessary or advisable by the Board of Directors;
- (h) Cause the Common Facilities and Common Properties to be maintained and insured;
- (i) Prepare the annual budget, to include, without limitation amounts deemed proper for the operation and maintenance of the Common Facilities and Common Properties and general operating reserves for replacements and new improvements and to make up for any deficits;
- (j) Pay all Association bills when they become due;
- (k) Enforce by legal means the provisions of the Declaration, these Bylaws, and any Rules and Regulations; and
- (l) Act on behalf of the Members with respect to all matters arising out of any eminent domain proceeding.

ARTICLE VII

OFFICERS

Section 7.1. Enumeration of Officers. The Officers of this Association shall be President, Vice-President, a Secretary/Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create. Each Officer shall be a Member of the Association or the authorized agent of a Member corporation or partnership. Only Directors shall be eligible for the offices of President and Vice-President.

Section 7.2. Election of Officers and Term of Office. The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the Officer shall sooner resign, be removed, or be otherwise disqualified to serve. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3. Special Officers. The Board may elect such other Officers from the Members 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 7.4. 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. 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 7.5. 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 7.6. Duties. The duties of the Officers are as follows:

- (a) President. The President shall preside at all meetings of the Members and the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all contracts, lien statements, mortgages, deeds and other written instruments on behalf of the Association and shall co-sign all checks and promissory notes. The president may designate the property manager to sign checks for normal budgeted operating expenses or amounts approved by the Board and lien statements on behalf of the Association on a continuing basis in order to effect the normal daily operations of the Association.
- (b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.
- (c) Secretary/Treasurer. The Secretary/Treasurer 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 mailing address and whether or not they are in good standing; receive and deposit in appropriate bank accounts all monies of the Association, including but not limited to the Maintenance Fund as set forth in the Declaration, and disburse such funds as directed by the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; cause an annual accounting of the Association books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditure to be presented to the membership at its regular annual meeting; and perform such other duties as required by the Board.
- (d) The officers of the Association may retain attorneys, accountants and others as may be reasonably necessary to represent the Association.

ARTICLE VIII

MAINTENANCE FUND

As more fully described in the Declaration, the Association shall create and maintain an Operating Expenses Fund and a Reserve Fund. The purpose of each fund shall be as specified in the Declaration. The amount of the annual levy to establish and maintain the funds shall be determined by the Board of Directors based in part upon the average annual expenditures for past years. In no instances shall said funds total more than a reasonable amount necessary to meet annual average costs of the Association's obligations under the Declaration, including costs for reasonably anticipated repairs and replacements.

ARTICLE IX

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to promptly pay to the Association annual and special assessments, and any fines or other fees properly assessed against such Member, all of which are secured by a continuing lien upon said Member's Lot. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, a late fee (in such amount as set by the Board of Directors from time to time) shall be owed, plus the assessment shall bear interest from the date due at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Member, or former Member, personally obligated to pay the same or foreclose the lien on the Lot. If the assessment is placed in the hands of an attorney for collection or if suit is brought thereon or if collected through probate or other judicial proceedings, the Member, or former Member, shall pay to the Association an additional reasonable amount, as attorneys' fees. In addition, the Member, or former Member, shall pay all costs of such collection or judicial proceeding. No Member may waive or otherwise escape liability for the assessments provided for herein. The Board of Directors shall be entitled to record a notice of the lien of the Association for any assessment which is delinquent.

ARTICLE X

RECORDS OF THE ASSOCIATION

Section 10.1. Inspection of Records. The books, records and papers of the Association shall at all times, during regular business hours and upon reasonable advance notice, 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 reproduction cost.

ARTICLE XI

SALE OR TRANSFER OF MEMBERSHIP

Section 11.1. Sale or Transfer. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership, all as provided for in the Declaration. Whenever the legal ownership of any lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, however, the Association must be notified in writing so that it can update its records. A transfer fee may be assessed for the transfer of membership in the Association, as set from time to time by the Board of Directors.

Transfer of an interest in the Association will not affect or change any existing or accrued obligations, and such new interest holder will not be personally liable for such obligations unless otherwise specified in these Bylaws or the Declaration.

ARTICLE XII

AMENDMENTS

These Bylaws may be repealed or amended by a vote of two thirds (2/3) of the Members, at the annual meeting, or at any special meeting called for that purpose; provided notice of the proposed repeal or amendment is incorporated in the notice of such meeting. So long as Delashe Investments, LLC is still entitled to cast three (3) votes for each Lot it owns, HUD/VA shall have the right to veto any amendment to these By-Laws.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. 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 incorporation.

Section 13.2. Indemnification of Board of Directors, Officers and Members of the ACC and other Committees. The Association shall indemnify any present or former Director or Officer and any present and former member of any Committee, including but not limited to the Architectural Control Committee of the Association, against reasonable expenses, costs, and attorneys' fees actually and reasonably incurred by him or her in connection with the defense of any action, suit, or proceeding, civil or criminal, in which he or she is made a party, or in which he or she may become involved, by reason of being or having been a Director or Officer or member of any committee. The indemnification shall include any amounts paid to satisfy a judgment or to compromise or settle a claim, provided that in the event of a settlement the indemnification shall apply when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The Director, Officer, or committee member shall not be indemnified if he or she is adjudged to be liable on the basis that he or she has breached or failed to perform the duties of his or her office or committee and the breach or failure to perform constitutes willful misconduct or recklessness.

Section 13.3. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 13.4. Interested Parties. No transaction of the Association will be affected because a Member, Director, Officer, or Employee of the Association is interested in the transaction, provided full disclosure is made in advance to the Directors and Officers of the Association. Such interested parties will be counted for quorum purposes, and may vote, when the Association considers the transaction. Such interested persons will not be liable to the Association for the party's profits, or the Association's losses from the transaction.

IN WITNESS WHEREOF, we, being the initial Board of Directors of the PETROGLYPH TRAILS PROPERTY OWNERS' ASSOCIATION, INC., having adopted these Bylaws of the Association, have hereunto set our hands this 27th day of April, 2011.


President/Chairman of the Board

Thomas J. Ashe
[Signature]
Vice President/Member of the Board
Steven M. Gudelf

[Signature]
Secretary/Treasurer/Member of the Board
Dustin Gudelf

ACKNOWLEDGMENT

STATE OF NEW MEXICO)
COUNTY OF Sandoval)

The foregoing instrument was acknowledged before me this 27th day of April, 2011,
by Thomas J. Ashe, President and Chairman of the Board of Petroglyph Trails Property Owners'
Association, Inc.

[Signature]
NOTARY PUBLIC

My Commission Expires:
January 22, 2012

STATE OF NEW MEXICO)
COUNTY OF Sandoval)

The foregoing instrument was acknowledged before me this 27th day of April by Steven M. Gudelj, Vice-President and Member of the Board of Petroglyph Trails Property Owners' Association, Inc.

Eva Marie Rencinger
NOTARY PUBLIC

My Commission Expires:
January 22, 2012

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me this 27th day of April, 2011, by Dustin Gudelj, Secretary/Treasurer and Member of the Board of Petroglyph Trails Property Owners' Association, Inc.

Eva Marie Rencinger
NOTARY PUBLIC

My Commission Expires:
January 22, 2012



Placitas Development, LLC has agreed that its interest in Phases 3 and 5 of the Petroglyph Trails subdivision (and the lots created or to be created therein) will be subject to the master Disclosure Statement for the Petroglyph Trails subdivision which was recorded on May 15, 2011, in Book 414 at Page 29796 as Document 29796, in the records of the Sandoval County Clerk.

Placitas Development, LLC

By: [Signature]
Thomas J. Ashe, Member

ACKNOWLEDGMENT

STATE OF NEW MEXICO)
COUNTY OF Sandoval)

The foregoing instrument was acknowledged before me this 15th day of December, 2011, by Thomas J. Ashe, a Member of Placitas Development, LLC, a New Mexico limited liability company, on behalf of said company.

[Signature]
NOTARY PUBLIC

My Commission Expires:
08/27/2013

