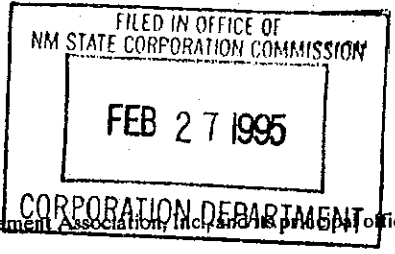


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AMENDED BY-LAWS
OF
TIERRA GRANDE IMPROVEMENT ASSOCIATION, INC.



ARTICLE I

NAME, OFFICE, FISCAL YEAR
AND DEFINITIONS

Section 1.01. Name and Principal Office. The name of the corporation shall be Tierra Grande Improvement Association, Inc., and its principal office shall be in 366 Rio Communities Boulevard, Belen, New Mexico.

Section 1.02. Corporate Seal. The corporation shall have a seal inscribed with the corporate name.

Section 1.03. Fiscal Year. The fiscal year of the corporation shall begin on the first day of January and end on 31st day of December of each year.

Section 1.04. Definitions.

- A. References to the "association" or the "corporation" means Tierra Grande Improvement Association, Inc.
- B. "Indentures" means the indentures by which the association from time to time conveyed property to Horizon Corporation, or its successors, pursuant to Article Four of the articles of incorporation, which indentures impose covenants, liens, and charges for the benefit of the association and its members.
- C. "Protective covenants" means the various protective covenants filed by Horizon Corporation with respect to the various Units within Tierra Grande subdivision.
- D. "Deed restrictions" means any restrictive covenants, conditions of use, rights of reverter, and like conditions or restrictions contained in any deed from Horizon Corporation to the corporation.
- E. "TGIA property" means any real estate granted by Horizon Corporation to the corporation, and any other property held by the corporation for the use by members as community facilities.
- F. References to the "subdivision" means the Tierra Grande subdivision.
- G. "Articles of incorporation" means the articles of incorporation of Tierra Grande Improvement Association, Inc., as the same may be amended from time to time.

ARTICLE II
MEMBERSHIP

Section 2.01. Qualifications. The members of the association shall be those individuals or entities determined in accordance with Article Five, Section 1, of the articles of incorporation.

Section 2.02. Membership Privileges. Each member, the member's family who reside with the member within the subdivision, a tenant of the member who resides within the subdivision under a lease with a term of one year or more, and the temporary guests of the aforementioned individuals may use and enjoy the TGIA property and community facilities, in accordance with the indentures, protective covenants, deed restrictions, and any rules and regulations promulgated by the association. Prior to any individual other than the member using any TGIA property or community facilities according to this provision, the member shall notify the secretary of the association in writing of the name and relationship of that person to the member. The privileges of a member to use and enjoy TGIA property and community facilities shall be subject to suspension in accordance with Article Five, Section 3 of the articles of incorporation. In the event a the membership privileges of a member are suspended, then that members family, tenants, and any guests of either shall not be entitled to use the TGIA property and community facilities during the period of suspension.

Section 2.03. Annual Meeting. An annual meeting of the members of the corporation shall be held at 2:00 p.m. on the last Saturday in July of each year, or on such other date as may be determined by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the election of Directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a meeting of the members as soon thereafter as conveniently may be. Failure to hold an annual meeting as required by these By-laws shall not invalidate any action taken by the Board of Directors or officers of the corporation, nor shall it work a forfeiture or dissolution of the corporation.

Section 2.04. Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called at any time by the President, the Executive Vice-President, or by a majority vote of a quorum of the Board of Directors, and shall be called by the Secretary at the request in writing of twenty-five percent (25%) of the members of the corporation. Such members' request that a special meeting be held shall state the purpose or purposes of the proposed meeting. In the case of a demand by twenty-five percent (25%) or more of the members for a special meeting, the Secretary shall call such meeting to take place not more than thirty days after such demand.

Section 2.05. Place of Meetings. Each meeting of the members shall be held in Rio Communities, Belen, New Mexico, or at such other place within Valencia County or Socorro County, New Mexico as may be designated in the notice of meeting.

Section 2.06. Notice of Meetings. The secretary shall give notice of the time and place of meetings by mailing or hand delivering a notice thereof to each member at the member's last-known address not less than ten (10) nor more than fifty (50) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's last-known address with postage thereon prepaid. If three (3) successive notices mailed to the last known address of any member are returned as undeliverable, no further notices to such member shall be necessary until another address for such member is made known to the corporation. If a meeting is adjourned to another time or place, notice need not be given if the time and place thereof are announced at the meeting, unless the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed, in either of which cases notice of the adjourned meeting shall be given to each member in accordance with the foregoing provisions of this Section 2.06.

Section 2.07. Voting. Only members shall have voting rights. The voting rights of a member and the number of votes a member may cast shall be determined in accordance with Article five of the articles of incorporation. Members may vote in person or by valid proxy.

Section 2.08. Quorum and Manner of Acting. At all meetings of members, ten percent (10%) of the total number of lots and living units within the subdivision shall constitute a quorum. If a quorum of members are present, in person or by proxy, the affirmative vote of a majority of the members present at the meeting, together with any votes cast by proxy, shall be the act of the members, unless the vote of a greater proportion or number is required by law, the Articles of Incorporation or these By-laws. A quorum, once attained at a meeting, shall be deemed to continue until adjournment notwithstanding the voluntary withdrawal of enough members to leave less than a quorum. If any action taken (other than adjournment) is approved by a majority vote of the members present at the time of the vote, such action shall be approved and valid, unless the vote of a greater proportion or number of members is otherwise required by law, the Articles of Incorporation, or these By-laws. In the absence of a quorum at any meeting of members, a majority of the members present may adjourn the meeting from time to time for a period not to exceed thirty (30) days at any one adjournment. At any such adjourned meeting, at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

Section 3.04. Resignation. Any director may resign at any time by giving written notice to the President or to the Board of Directors. A director's resignation shall take effect at the time specified in the notice of resignation and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make the resignation effective.

Section 3.05. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, or by the affirmative vote of two directors, if there are only two directors remaining, or by a sole remaining director, or by the members if there are no directors remaining. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 3.06. Chairperson and Vice-Chairperson. The Board of Directors may by resolution elect from the members of the Board of Directors a Chairperson to preside at meetings of the Board of Directors and of members; to coordinate the activities and responsibilities of the board; and to take such other action as is necessary on behalf of the board. The Board of Directors may also elect a Vice-Chairperson to serve in the absence of the Chairperson and to assist the Chairperson in the performance of the Chairperson's duties.

Section 3.07. Regular Meetings. Regular meetings of the Board of Directors may be held at any place or places within or without the State of New Mexico, on such days and at such hours as the Board of Directors may, by resolution, appoint. No notice shall be required to be given of any regular meeting of the Board of Directors.

Section 3.08. Special Meetings. Special meetings of the Board of Directors shall be called by the secretary at the request of any officer of the corporation or by any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place, either within or without the State of New Mexico, for holding any special meeting of the Board of Directors. Notice of each special meeting of the Board of Directors, stating the place, day and hour thereof, shall be given by the Secretary to each director not less than three days before the meeting if the notice is given by mail, or one day if by telephone or in person. Notice shall be deemed to be given, if mailed, when deposited in the United States mail, with first class postage thereon prepaid, addressed to the director at his last known business or residence address.

Section 3.09. Waiver of Notice. Whenever notice is required by law, the articles of incorporation or these bylaws to be given to the directors, a waiver thereof in writing signed by the director entitled to such notice, whether before, at or after the time stated in the notice, shall be equivalent to the giving of such notice. By attending or participating in a meeting, a director waives any required notice of such meeting unless, at the beginning of the meeting, the director objects to the holding of the meeting or the transaction of business at the meeting.

Section 3.10. Compensation. No directors, as such, shall receive any salary for their services, but by resolution of the Board of Directors, a director may be paid a stipend for attendance of meetings of the Board of Directors, or for conducting business on behalf of the Board of Directors. A director may also be paid mileage for the use of the director's automobile, or other appropriate vehicle, to conduct business on behalf of the corporation, at a rate per mile not to exceed that allowed by the Internal Revenue Service of the United States of America for business tax purposes.

Section 3.11. Limitations Upon Directors.

A. No present member of the Board of Directors may enter into any contract with the association to provide the association or its members services or goods, or to buy from or sell to the association any property.

B. No person may be a member of the Board of Directors who, when seated as a director after having been elected, is a party to any contract with the association to provide the association or its members services or goods, or to buy from or sell to the association any property.

C. A member of the Board of Directors may not, during the director's term, buy, sell, or trade real estate within the subdivision, except a director may sell or trade the director's personal residence and the lot or contiguous lots upon which the residence is situated, and the director may acquire a residence, the lot upon which the residence is situated and contiguous lots, during the director's term in office.

D. For purposes of all of these limitations upon directors, persons residing with the director and any corporation, partnership, or joint venture in which the director owns an interest shall be deemed to be imputed to the director, so that the contractual or ownership interests of the imputed person or entity are deemed to be those of the director.

E. A director shall abstain from participating, including making a motion, seconding a motion, discussing the motion, or voting upon the motion, in any matter before the Board of Directors in which the director has a conflict of interest.

Section 3.12. Removal of Directors from Office. Any director found to be in violation of the bylaws, articles of incorporation, or the rules and regulations promulgated by the Board of Directors may be removed from the Board of Directors by the majority vote of the remaining members of the Board of Directors.

Section 3.13. Indemnification. The corporation shall indemnify its directors and officers to the fullest extent permitted by New Mexico law, including, without limitation, indemnification of directors and officers for their attorney's fees and costs of suit incurred in defending against any court proceeding against the director or officer relating to the performance of the director's or officer's duties for the corporation.

Section 3.14. Ex Officio Members. The Board of Directors may, from time to time, create one or more ex officio positions on the Board of Directors, for the purpose of obtaining advice and assistance regarding the improvement of the subdivision. The ex officio member or members of the Board of Directors shall not be entitled to vote on any matter which the Board of Directors is entitled to vote. The ex officio members shall serve at the pleasure of the Board of Directors, and shall be subject to removal by the Board of Directors without cause.

Section 3.15. Committees.

A. Standing Committees. Standing committees of the Association shall be the Nominations Committee, the Recreation Committee, The Maintenance Committee, the Publicity Committee, and the Audit Committee. Unless otherwise provided herein each committee shall consist of a Chairman and two or more members of the association, as determined by the Board, at least one of whom shall be a Director. Each committee shall be appointed by the Board of Directors at its Annual Meeting to serve until the next Annual Meeting of the Board and until its successor shall have been duly elected and qualified, except that the Nominating Committee shall be appointed in accordance with Section 3.03B of these bylaws. The Board of Directors may appoint such other committees as it deems desirable. The Board may, at its discretion, choose not to appoint one or more of the above committees, other than the Nominating Committee and reserve the functions of the committee(s) to itself, or the Board may appoint the committee(s) whenever it deems a need for said committee(s).

B. Nominating Committee. The Nominating Committee shall have the duties and functions described in these bylaws, and in the articles of incorporation.

C. Recreation Committee. The Recreation Committee shall advise the Board on all matters pertaining to the recreational programs of the association and shall perform such other functions that the Board determines to be desirable and proper.

D. Maintenance Committee. The Maintenance Committee shall advise the Board on all matters pertaining to the maintenance, repair or improvement of any TGIA property and community facilities and shall perform such other functions that the Board, in its discretion, determines proper.

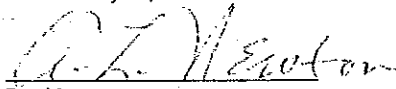
E. Publicity Committee. The Publicity Committee shall inform the members of all activities and functions of the association and shall, after consulting with the Board, make such public releases and announcements as are in the best interests of the association.

ARTICLE VII
AMENDMENTS AND CONFLICTS

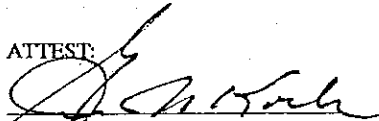
Section 1 - Amendments. These bylaws may be amended, at a regular or special meeting of the members, by a vote of the majority of a quorum of the members present in person or by proxy, provided that those provisions of these bylaws which are addressed by the articles of incorporation may not be amended except as provided by applicable law for the amendment of articles of incorporation, and any amendment of such provisions must be simultaneous with an amendment to the appropriate provision of the articles of incorporation. Any matter which is covered by the indentures may only be amended as provided in the indentures.

Section 2 - Conflicts. In the event of any conflict between the articles of incorporation and these bylaws, the articles of incorporation shall control, and in the event of any conflict between the indentures and these bylaws, the indentures shall control.

The undersigned President and Secretary of Tierra Grande Improvement Association, Inc. affirm that these By-laws were duly adopted by majority vote of the members at the annual meeting of the corporation held on July 31, 1993.



President

ATTEST:


Secretary

