BY-LAWS OF

BULL CANYON RANCHES PROPERTY OWNER'S ASSOCIATION, INC.
A Non-Profit Corporation

ARTICLE I. DEFINITIONS

1. "Association" means BULL CANYON RANCHES PROPERTY OWNER'S ASSOCIATION, INC., a New Mexico nonprofit corporation, its successors and assigns.

2. "Common Area" shall mean that property within the Project as shown on the Recorded Survey Plat designated for use by the members of the Association for recreational purposes and for use by Lessee for purposes of grazing livestock and related ranching activity.

3. "Covenants" shall mean the Declaration of Covenants, Conditions, and Restrictions for Bull Canyon Ranches recorded with the Clerk of Guadalupe County, New Mexico.

4. "Declarant" means New Mexico Land & Ranches, Inc., a New Mexico corporation.

5. "Lessee" is any person or entity currently leasing the grazing rights to the Property and rights to certain pre-existing registered waters from the Association for the purpose of grazing livestock and any related ranching activity (also known as the "Rancher").

6. "Owner" means a record holder of beneficial or equitable title and legal title if legal title has merged with the beneficial or equitable title, whether one or more persons or entities, to the fee simple interest in any Parcel, including Declarant. Owner shall not include: (a) a Person having an interest in a Parcel merely as security for the performance of an obligation; or (b) a tenant of a Parcel.

7. "Parcel" or "Parcels" means a portion of the Project intended for independent ownership and use and designated as a Parcel on the Recorded Survey Plat showing said Parcel(s), either individually or collectively as the case may be as such divisions may be allowed by law.

8. "Property" or "Project" means the real property described on the Recorded Survey Plat. The Property is comprised of the Bull Canyon Ranches Development.

9. "Recorded Survey Plat" means the maps of the Bull Canyon Ranches Development recorded in the office of the Guadalupe County Recorder in Guadalupe County, New Mexico and all amendments, supplements and corrections thereto and any subdivision map recorded against any supplements and corrections thereto.

ARTICLE II. OFFICE

Principal Office. The principal office for the transaction of the business of the Association is hereby fixed and located at 113 Abeyta Ave., Suite A, Socorro, New Mexico 87801. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

Section 1. The owner of each Parcel shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any of the Parcels.

Section 2. The Association shall have only one class of voting membership which shall consist of all Parcel owners and said owners being entitled to one vote for each Parcel owned, provided however, Declarant shall be entitled to nine (9) votes for each Parcel owned.

Section 3. Every member of the Association shall be subject to the provisions of the Covenants, Articles of Incorporation and these By-Laws. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 4. The membership held by any owner of a Parcel shall not be transferred, pledged or alienated in any way, except upon the sale to the purchaser of such Parcel, or upon the encumbrance of such Parcel. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the owner of any Parcel should fail or refuse to transfer the membership registered in his name to the purchaser of such Parcel, the Association shall have the right to record the transfer upon the books of the Association and shall

issue a new certificate to the purchaser, and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

Section 5. Member in this Association shall automatically terminate when such Member sells and transfers his Parcel.

Section 6. In its discretion, the Board of Directors of the Association may, but need not, issue appropriate membership certificates evidencing membership in the Association.

Section 7. Each Parcel membership shall pay annual assessments in accordance with Covenants. The annual assessment shall be reviewed, established and modified as needed by the Board of Directors thirty (30) days prior to the start of the new calendar year. In the event the amount accumulated in the treasury is inadequate to defray anticipated or incurred costs, a majority of the Board of Directors shall have the power to assess members for such costs. Each member in the Association shall be personally liable for the payment of such regular assessments and special assessments for capital improvements as may from time to time be fixed and levied by the Board of Directors pursuant to the provisions of these By-Laws and Covenants; provided, however, that such levy must be applied in a uniform manner among all members.

Section 8. The Board of Directors shall establish the annual assessment as indicated above, and written notice of the assessments shall be sent to each owner and shall state the payment due date. If the assessments are not paid by the last day of the following month a penalty interest on the amount thereof shall accrue at the rate of 9% annually. Each such assessment, together with such interest, costs, and reasonable attorney fees, shall be the personal obligation of the person who was a member of the Association at the time the assessment fell due. Liability of individual members of the Association with respect to such assessment shall be in accordance with their percentage interest in general common elements as of the date of the assessments. The personal obligation of a member shall not pass to his successors in interest unless expressly assumed by them. All assessments plus interest must be paid by the annual meeting. Any payment under this section shall be considered received by the Association on the date it is actually received by the Secretary/Treasurer.

The Association may, at it option, bring an action at law against the member personally obligated to pay the assessments, and there shall be added to the amount of such assessment a late charge, the costs of preparing and filing the complaint of such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorney fees, together with the costs of action. Each member vests in the Association or its assigns, the right and power to bring all actions at law against

such member or other member for the collection of such delinquent assessment. No action shall be commenced against a member for the collection of such delinquent assessments unless and until fifteen (15) days prior written notice of said delinquency shall have been furnished to said member by certified mail, return receipt requested, addressed to the owner of record of the Parcel to which said assessment pertains at his address as reflected in the books and records of the Association. Proof of mailing shall be established by one of the following: (1) a receipt signed by the Member or his agent; (2) the return of the notice to the Association reflecting that acceptance of said notice was refused by the Member or his agent; or (3) the affidavit of the party mailing the notice.

ARTICLE IV. MEETING OF MEMBERS

Section 1. All meetings of Members shall be held at the principal office of the Association, or at such other place as may be fixed from time to time by resolution of the Board of Directors.

Section 2. The annual meeting of Members of the Association shall be held on the first Thursday of March of each year at 7:00 p.m. of said day, provided, however, that should said day fall upon a legal holiday, then any such annual meeting of Members shall be held at the same time and place on the next succeeding day which is not a legal holiday. Notwithstanding anything to the contrary herein, an organizational meeting of the Members shall be called by the incorporators as soon as practicable subsequent to the consummation of the sale of the first Parcel.

Section 3. Special meetings of the members for any purpose may be called at any time by the President, or by the Board of Directors, at a time and place designated by the parties upon 24 hour notice served personally by mail or telephone.

Section 4. Written notice of meetings, annual or special, shall be given to each Member entitled to vote, either personally or by sending a copy of the notice through the mail, postage pre-paid, to his address appearing on the books of the Association or supplied by him to the Association for the purpose of notice. All such notices shall be sent to each Member entitled thereto not less than ten (10) days nor more than sixty (60) days before each meeting, and shall specify the place, the day and the hour of such meeting, and in case of special meetings, the general nature of the business to be transacted.

When any meeting of Members, either annual or special, is adjourned for 30 days or more, notice of the time and place of the adjourned meeting shall be given as in the case of any original meeting. Except as aforesaid, it shall not be necessary to

give notice of an adjournment or of the business to be transacted at an adjourned meeting, other than by announcement thereof at the meeting at which such adjournment is taken.

Section 5. The transaction of any business at any meeting of Members, either annual or special, however called and noticed, shall be as valid as though a meeting had duly been held after regular call and notice if a quorum of 51% of the Members are present either in person, by proxy, or if the number of mailed or faxed in votes received prior to the meeting together with the number of members present or represented by proxy at the meeting constitutes a 51% quorum, and if, either before or after the meeting, each of the Members entitled to vote, not present or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 6. The presence, in person or by proxy, or by mailed or faxed in votes received prior to the meeting, of the holders of a majority of the membership then in existence shall be requisite and shall constitute a quorum for the transaction of all business at any annual or special meeting. The acts approved by a majority of the members present at a meeting at which a quorum is present shall constitute the acts of the Members except when approval by a greater number of Members is required by the Articles of Incorporation, these By-Laws, or Covenants. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal or departure of certain Members, leaving less than a quorum present.

Section 7. Every Member entitled to vote or execute consents shall have the right to do so either in person or by mail or faxed in vote received prior to the meeting, or by an agent or agents authorized by a written proxy executed by such Member or his duly authorized agent and filed with the Secretary/Treasurer of the Association; provided that no such proxy shall be valid after the expiration of 11 months from the date of its execution.

ARTICLE V. DIRECTORS

Section 1. Powers: Subject to the limitations of the Articles of Incorporation, these By-Laws, and of the New Mexico Corporation Code as to action to be authorized or approved by the Members, and subject to the duties of the directors as prescribed by these By-Laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by the Board of

Directors. Without prejudice to such general powers, but subject to the same limitations, the directors are vested with and shall have the following powers, to-wit:

A. To select, appoint, and remove all officers, agents, and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation and these By-Laws; to fix their compensation and to require from them security for faithful service when deemed advisable by the Board; any management body or agency selected prior to the first annual election shall be employed to manage only until the first annual election after initial organization, at which time the continuance of the same or the selection of another body or agency shall be determined by a majority vote.

B. To conduct, manage and control the affairs and business of the Association and to make and enforce such rules and regulations therefore consistent with law with the Articles of Incorporation and these By-Laws, as the Board may deem necessary or advisable.

C. To change the principal office for the transaction of the business of the Association from one location to another as provided in Article II hereof; to designate any place within said County for the holding of any annual or special meeting or meetings of Members, to adopt and use a corporate seal, and to prescribe the form of certificate of membership, if any, and to authorize the issuance of memberships to such persons as shall be eligible for membership, as provided in Article III of these By-Laws.

D. To borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges or other evidences of debt and security therefor.

E. To fix and levy, from time to time, assessments upon the Members of the Association; to determine and fix the due date for the payment of such assessments, and the date upon which the same shall become delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the payment of the expenses of the Association and of taxes and assessments upon real or personal property owned, controlled or occupied by the Association as general common elements, or for labor rendered or materials or supplies used and consumed, or equipment and appliances furnished for the maintenance, improvement or development of such general common elements or for the payment of any and all obligations in relation thereto, or in performing or causing to be

performed any of the purposes of the Association for the general benefit and welfare of its Members, and the Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes and to provide adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or welfare of its Members. Should any Member fail to pay such assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent assessments as provided in Article III, Section 8 of the By-Laws.

F. To enforce the provisions of these By-Laws or other agreements of the Association.

G. To maintain liability and general property insurance on the common area and any other policy or policies of insurance as the Board of Directors of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.

H. To contract for and pay maintenance, gardening, utilities, materials and supplies, and services relating to operation of the project, including legal and accounting services. To contract for and pay for improvements and common expenses.

I. To establish and maintain, in the discretion of the Board of Directors, a working capital and contingency fund in an amount to be determined by the Board of Directors of the Association.

J. To delegate it's powers according to law and subject to the approval of the Members, to adopt these By-Laws.

K. To negotiate and sign a lease with Lessee for the purpose of grazing livestock and related ranch activity within the Common Area.

Section 2. Number and Qualification of Directors: The number of Directors of this Corporation shall be three, provided that the number of Members on the Board of Directors may be changed from time to time by an amendment of the Articles, or by an amendment of this Section 2 of Article V of these By-Laws, fixing or changing such number, adopted by the vote or written assent of members entitled to exercise a majority of the voting power.

Section 3. Election and Term of Office: Until the holding of the annual meeting of the Members referred to in Section 2 of Article IV of these By-Laws, the Board of

Directors shall consist of those directors named in the Articles of Incorporation. The directors shall be elected at each annual meeting of Members, but if any such annual meeting is not held, or if the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 4. Vacancies:

A. Vacancies on the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office until his successor is elected at an annual meeting of Members, or at a special meeting called for that purpose.

B. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any director. If the Members shall increase the authorized number of directors but shall fail to elect the additional directors so provided for at the meeting at which such increase is authorized, or at an adjournment thereof, or in case the Members fail at any time to elect the full number of authorized directors, a vacancy or vacancies shall be deemed to exist.

C. The Members may at any time elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the By-Laws is voted authorizing an increase in the number of directors.

D. If any director tenders his resignation to the Board of Directors, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

E. Any director may be removed without cause by concurrence of two-thirds (2/3) of the votes of the membership meeting the quorum requirement at an annual meeting or a special meeting called for such purpose. Any vacancy created by such removal shall be filled in accordance with the procedures set forth in this Section 4.

Section 5. Place of Meeting: All meetings of the Board of Directors shall be held at the principal office of the Association or at any other place or places designated at any time by resolution of the Board or by written consent of all members of the Board.

Section 6. Organization Meetings: Immediately following each annual meeting of Members, the Board of Directors shall hold an organizational meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 7. Other Regular Meetings: Other regular meetings of the Board of Directors may be held without call at such place and day and hour as may be fixed from time to time by resolution of the Board of Directors; provided, that should said day fall upon a legal holiday, then the meeting which otherwise should be held on said day shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

Section 8. Special Meetings; Notices: Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman or by the President, or if they are unable or refuse to act, by the Vice President, or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by letter or by telegram, postage or charges prepaid, addressed to him at his address as it is shown upon the records of the Association. In case such notice is mailed or telegraphed it shall be deposited in the United States mail or delivered to the telegraph company at or near the place in which the principal office of the Association is located at least 48 hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as provided herein shall be due, legal and personal notice to each such director.

Section 9. Notice of Adjournment: Notice of adjournment of any directors' meeting, either regular or special, need not be given to absent directors, if the time and place are fixed at the meeting adjourned.

Section 10. Waiver of Notice: The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

Section 11. Quorum: A majority of the number of directors as fixed by the Articles of Incorporation or these By-Laws shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision made or done by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 12. Adjournment: A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided however, that in the absence of a quorum, a majority of the directors present at any director's meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 13. Consent of Board Obviating Necessity of Meeting: Notwithstanding anything to the contrary contained in these By-Laws, any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

Section 14. Fees and Compensation: No director or officer shall receive any salary for his services as such officer or director. Nothing herein contained shall be construed to preclude any director or officer from serving the Association as agent, counsel, or in any capacity other than as such director or officer, and receiving compensation therefor.

Section 15. Presiding Officer: The Members of the Board of Directors shall elect one of their number to act as Chairman and one of their number to act as Secretary. The Chairman shall preside at all meetings and the Secretary/Treasurer shall record the minutes of all meetings of the Board of Directors and of the Members.

ARTICLE VI. OFFICERS

Section 1. Officers: The officers shall be a President, Vice President, Secretary/Treasurer, which officers shall be elected by and hold office at the pleasure of the Board of Directors. Each of the offices may, but need not, be a Member of the Board of Directors. Any two or more such offices, except those of President and Secretary, may be held by the same person.

Section 2. Election: The officers of the Association shall be elected by the Board of Directors of the Association at their organizational meeting and shall hold such office for the term of one year or until their successors are elected.

Section 3. Subordinate Officers: The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided by these By-Laws or as the Board of Directors may from time to time to determine.

Section 4. Removal and Resignation: Any officer may be removed, either with or without cause, by the vote of a majority of all the directors then in office at any regular or special meeting of the Board at which a quorum is present.

Section 5. Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these By-Laws for regular appointments to such office.

Section 6. President: The President shall be the chief executive officer of the Association and shall, subject to the direction of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. The President may, but need not, be the Chairman of the Board of Directors. He shall be an ex-officio member of all standing committees, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

Section 7. Vice President: In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the office of President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board of Directors or the By-Laws.

Section 8. Secretary/Treasurer: The Secretary/Treasurer shall keep or cause to be kept a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and Members, with the time and place of the holdings of same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of membership present or represented at Members meetings and the proceedings thereof.

The Secretary/Treasurer shall keep, or cause to be kept, at the principal office a membership register showing the following: (1) the names and addresses of all Members of the Board of Directors and officers; (2) the names of the Members and their addresses; (3) the property to which each Member relates; (4) the number of votes represented by each Member; (5) the number and date of membership certificates issued, if any; and (6) the number and date of cancellation of membership certificates, if any.

The Secretary/Treasurer shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors required by the By-Laws or by law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these By-Laws.

The Secretary/Treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The books of account shall at all reasonable time be open to inspection by any directors or by any Member.

The Secretary/Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors; shall render to the President and directors, whenever they request it, an account of all his transactions as Secretary/Treasurer and of the financial condition of the Association; and, shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

ARTICLE VII. MISCELLANEOUS

Section 1. Amendments: The Board of Directors may adopt, amend or repeal any of these By-Laws, except that only by a vote of the Members, as provided in Article IV, may the following By-Laws be amended or changed:

A. The provisions of the Article V, Section 2, relating to the Number of Directors.

B. The provisions of Article III, Sections 1,3, 4, and 5, relating to Number of Members, Qualification of Members, Transfer of Membership, and Termination of Membership; and,

C. The provisions of Article III, Sections 2, 7, and 8, relating to Voting, Assessments, and Enforcement of Payment of Assessments.

Section 2. Record of Amendments: Whenever an amendment or new By-Law is adopted, it shall be placed in the book of By-Laws in the appropriate place. If any By-Law is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, being the persons appointed in the Articles of Incorporation to act as the first Board of Directors of BULL CANYON RANCHES PROPERTY OWNER'S ASSOCIATION, INC., a non-profit corporation, hereby assent to the foregoing By-Laws and adopt the same as the By-Laws of said Association and said corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this 1st day of MARCH, 2005.

Daniel W. Dattola, Director

Stacie L. Hunt, Director

Gary Sumner, Director

BOARD OF DIRECTOR'S AFFIDAVIT

STATE OF ARIZONA)
)ss.
COUNTY OF Yavapai)

Gary Sumner, being first duly sworn, states as follows:

1. My address is 1570 Plaza West Drive, Prescott, Arizona 86303.

2. I have been elected or appointed to serve on the Board of Directors of Bull Canyon Ranches Property Owner's Association, Inc. and I hereby consent to being a member of the Board of Directors.

DATED this 2nd day of March, 2005.

Gary Sumner

SUBSCRIBED AND SWORN TO before me on March 2nd, 2005, by Gary Sumner.

OFFICIAL SEAL
PREMA SCHRAMM
Notary Public - State of Arizona
YAVAPAI COUNTY
My Comm. Expires March 29, 2006

Prema Schramm
Notary Public
My commission expires: 3/29/06

BOARD OF DIRECTOR'S AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SOCORRO)

Daniel W. Dattola, being first duly sworn, states as follows:

1. My address is 113 Abeytia Avenue, Suite A, P.O. Box 448, Socorro, New Mexico 87801.

2. I have been elected or appointed to serve on the Board of Directors of Bull Canyon Ranches Property Owner's Association, Inc. and I hereby consent to being a member of the Board of Directors.

DATED this 1 day of MARCH, 2005.

Daniel W. Dattola

SUBSCRIBED AND SWORN TO before me on MARCH 1, 2005, by Daniel W. Dattola.

Wendy L Winningham
Notary Public
My commission expires: 8-6-06

OFFICIAL SEAL
Wendy L. Winningham
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 8-6-06