

BY-LAWS OF
ANGEL FIRE CABIN SHARE ASSOCIATION

ARTICLE I
GENERAL PROVISIONS

Section 1. Definitions. Unless expressly indicated to the contrary, the terms herein shall have the following meanings:

(a) Timeshare Declaration. That certain Timeshare Declaration for Angel Fire Cabin Share recorded October 21, 1986, in Book 120, Page 3180, office of Colfax County Recorder, State of New Mexico (the "Timeshare Declaration").

(b) Additional Terms. The balance of the terms defined in the Timeshare Declaration shall have the same meaning when used in these By-Laws as when used in the Timeshare Declaration. Any reference to By-Laws herein shall mean these By-Laws.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 1. Qualifications. Each Owner of an undivided interest having acquired a weekly Timeshare in the Angel Fire Cabin Share shall be a member of the Association. There shall be no other members. If an undivided interest and acquired weekly Timeshare is owned by more than one Owner, all such Owners shall be members of the Association; provided, however, that for the purposes of the representation of such undivided interest with regard to the affairs of the Association and the voting of the members of the Association, such undivided interest, except as provided in Section 3 hereof, shall be represented by and entitled to only one (1) vote which shall be exercised and cast in accordance with the provisions of the By-Laws. Ownership of an undivided interest within the Property shall be the sole qualification for membership in the Association. Membership shall include any Owner of a deeded undivided interest and any purchaser of an undivided interest under contract for deed.

Section 2. Transfer of Membership. The Association membership of each Owner shall be appurtenant to the ownership giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said undivided interest and then only to the transferee of title to said undivided interest. Any attempt to make a prohibited transfer shall be void. Any transfer of title to an undivided interest shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

Section 3. Voting Rights. The Association shall have one class of voting membership: One vote for each undivided interest and an acquired one week period of timeshare.

Section 4. Joint Owner Disputes. The vote, or votes, for each undivided interest and acquired weekly timeshare may be cast only as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain undivided interest and acquired weekly timeshare, it will thereafter be conclusively be presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same undivided interest.

Section 5. Membership Rights and Duties. Each member shall have the rights, duties and obligations set forth in these By-Laws, the Association Articles, and the Timeshare Declaration, as the same may be amended from time to time.

Section 6. No Cumulative Voting. There shall be no cumulative voting.

ARTICLE III MEMBERSHIP ASSESSMENTS AND LIEN RIGHTS

For the purpose of enforcing and collecting assessments, this Association shall have the lien rights set forth in the Timeshare Declaration, which lien rights shall be enforceable by the Board in the manner set forth therein. The Board shall also have and be entitled to exercise all other rights and remedies otherwise provided for at law or in equity.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Place of Meeting. All meetings of the members shall be held at a time and place fixed by a resolution of the Board of Directors of the Association ("Board").

Section 2. Annual Meetings of Members. The annual meetings of Members shall be held each year in the same month in which the organizational meeting as hereinafter provided for was held commencing with the year immediately following the organizational meeting. An organizational meeting shall be held within thirteen (13) months following the date of purchase of the first undivided interest and acquired weekly timeshare. At the organizational meeting, and at each annual meeting, there shall be elected by secret written ballot of the members a Board of Directors in accordance with the requirements of these By-Laws. The members may also transact such other business of the Association as may be properly come before them at such organizational or annual meeting.

Written notice of both the organizational meeting and each annual meeting shall be given to each member by the Secretary or, in the case of the organizational meeting only, by the Grantor, in

the manner hereinafter provided. All such notices of any organizational or annual meeting shall be sent to each member not less than thirty (30) days and not more than ninety (90) days before such meeting, and shall specify the place, the day and the hour of such meeting and shall generally state those matters which the Board intends to present for action by the members (but any proper matter may be presented for action at such meeting). The notice of any meeting at which directors are to be elected shall include the names and addresses of those who are nominees at the time the notice is sent to members.

Section 3. Special Meetings. Special meetings of members, for any purpose, may be called at any time by a majority of the Board or by twenty percent (20%) or more of the total voting power of all members other than Grantor; provided that no special meeting may be held or called prior to the organizational meeting. Except in special cases where other express provision is made by statute, these By-Laws or the Timeshare Declaration, notice of such special meetings shall be given in the same manner as for annual meetings. Notices of any special meetings shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted (and no other business may be transacted).

If a special meeting is called by members, the request shall be submitted in writing, specifying the purpose of the meeting and shall be delivered personally or by certified mail to the Board. The Board shall cause notice of the special meeting to be promptly given to the members, and the date for such meeting shall be not less than ten (10) nor more than ninety (90) days following the receipt of the request. If the notice is not given within thirty (30) days after receipt of the request, the persons requesting the meeting may give the notice: Nothing contained in this paragraph shall be construed as limiting, fixing or affecting the time when a meeting of members may be held when the meeting is called by action of the Board.

Section 4. Manner of Giving Notice. Notice of any meeting of the members shall be given by first-class mail, addressed to each member at the address given by the member to the Association for the purpose of notice. Notice shall be deemed to have been given at the time deposited in the mail. An affidavit of the mailing or other means of giving any notice of any members' meeting may be executed by the Secretary, Assistant Secretary, or any other party of the Association giving the notice, and if so executed, shall be filed and maintained in the minute book of the Association.

Section 5. Adjourned Meetings and Notices Thereof. Any membership meeting for which a quorum is not present may be adjourned to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such

adjournment is taken.

Section 6. Quorum. The presence either in person or by proxy at a members' meeting of members representing at least twenty-five percent (25%) of the vote of the members entitled to vote, shall constitute a quorum for any action by the members, unless a different requirement is imposed by these By-Laws, the Association Articles, or the Timeshare Declaration, and a majority of the members present shall prevail at such meetings.

Section 7. Proxies. Every person entitled to vote shall have the right to so either in person or by a written proxy executed by such person and filed with the Secretary of the Association prior to the commencement of the meeting at which the proxy is to be exercised. No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy.

ARTICLE V DIRECTORS

Section 1. Number, Qualifications, Term of Office. The affairs of the Association shall be managed by a Board of no less than three (3) directors each of whom must be a member of the Association or a representative of Grantor designated by Grantor. The members shall elect three (3) directors, one (1) of whom shall hold office for three (3) years; one (1) of whom shall hold office for two (2) years, and one (1) of whom shall hold office for one (1) year. At each annual meeting of the members thereafter, the members shall elect a new director to fill each vacancy created by the expiration of a prior director's term of office. Such new directors shall serve for a term of three (3) years or until the later election of their successors.

Section 2. Nominating Committee. The President of the Association shall appoint a committee to select qualified candidates for election to the Board at least ninety-five (95) days before the date of the election, and the Secretary shall forward to each member, with the notice of meeting required by Article IV, Section 2, a list of candidates nominated, by office.

At the meeting to elect directors, any member present at the meeting, in person or by proxy, may place names in nomination unless this provision is limited or revoked by the Board.

Section 3. Removal and Vacancies.

(a) Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected.

(b) Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. And Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting prior to voting thereon.

Section 4. Place of Meeting. All meetings of the Board shall be held on the Property if reasonably possible, otherwise at a place as close thereto as reasonably possible, and within the County of Colfax, as designated at any time by resolution of the Board or by written consent of a majority of the members of the Board.

Section 5. Organizational Meeting of the Board. Immediately following the organizational meeting and each annual meeting of the members, the Board shall hold a regular meeting at the same place for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 6. Other Regular Meetings. Other regular meetings of the Board shall be held at a time and at such place on the Property or as close thereto as reasonably possible, which place may be designated by the Board from time to time. Notice of the time and place of such meeting shall be communicated to each director not less than thirty (30) days prior to the meeting unless waived.

Section 7. Special Meetings. Special meetings of the Board for any purpose or purposes may be called by written notice at any time by any two directors.

Notice of the time and place of special meetings and of the nature of any special business to be considered shall be given to each director by written notice given by first-class mail at least fifteen (15) days prior to the scheduled time of such meeting, unless waived.

Section 8. Meetings by Telephone. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, and any member of the Board may participate by conference telephone or similar communications equipment in a meeting at which other Members of the Board are physically present, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 9. Quorum Requirement, Waiver of Notice. The transaction of any business at any meeting of the Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present, unless a quorum is expressly not required pursuant to these By-Laws, and if, either before or after the

meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 10. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board 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, and shall have the same force and effect as a unanimous vote of such directors.

Section 11. Quorum. A majority of the Board shall constitute a quorum thereof. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present, in person, by proxy or by telephone, shall be regarded as the act of the Board.

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 the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 13. Open Meetings.

(a) Regular and special meetings of the Board shall be open to all members of the Association provided, however, that members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by a vote of the Board.

(b) The Board may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 14. Compensation. No director of the Association shall receive any salary or other compensation for services rendered as a director or officer of the Association. The Board of Directors may adopt a resolution providing for payment to directors of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the Board of Directors. A director may serve

the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to a director shall be commensurate with the services performed and reasonable in amount.

ARTICLE VI

OFFICERS

Section 1. Enumeration of Officers. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board may deem necessary. Any person may hold more than one office, provided that neither the Secretary nor the Treasurer may serve concurrently as the President. The President, Vice President and Secretary shall be members of the Board. The Treasurer may be, but need not be a member of the Board. Each officer must be a member of the Association or a representative of Grantor designated by Grantor.

Section 2. Subordinate Officers. The Board may appoint, and may authorize the President or another officer to appoint, any other officers that the business of the Association may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in these By-Laws or determined from time to time by the Board.

Section 3. Election. The initial officers shall be chosen by a majority vote of the directors at the first meeting of the Board, and thereafter, officers shall be removed or chosen at any subsequent meeting of the Board by a majority vote of the Board.

Section 4. Terms. All officers shall hold office at the pleasure of the Board.

Section 5. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 6. President. The President shall be the chief executive officer of the Association and shall, subject to the control of the Board, have supervision, direction and control of the business and affairs of the Association. He shall preside at all meetings of the members and at all meetings of the Board. He shall be ex-officio a member of all standing committees appointed by the Board, if any, and shall have the general powers and duties of management usually vested in the office of President of a New Mexico nonprofit corporation, and shall have such powers and duties as may be prescribed by the Board or by these By-Laws.

Section 7. Vice President. When the president is absent, is unable to act, or refuses to act, a vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place of the president in the order of the votes received when elected. A vice president shall perform other duties as assigned by the president or board of directors.

Section 8. Secretary. The Secretary shall:

(a) Give all notices as provided in the bylaws or as required by law.

(b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.

(c) Maintain custody of the corporate records and of the seal of the Association.

(d) Affix the seal of the Association to all documents as authorized.

(e) Keep a register of the mailing address of each member, director, officer, and employee of the Association.

(f) Perform duties as assigned by the president or by the Board of Directors.

(g) Perform all duties incident to the office of secretary.

ARTICLE VII INDEMNIFICATION

The Association shall indemnify a Director, officer or Managing Agent against all loss, costs, and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, officer, or Managing Agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by

reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any member or Owner of a Cabin Unit who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Timeshare Declaration.

ARTICLE VIII MISCELLANEOUS

Section 1. Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be approved, signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 2. Contracts, Etc. How Executed. The Board, except as otherwise provided in these By-Laws, may authorize any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 3. Fiscal Year. The fiscal year of the Association shall terminate on December 31 of each year.

Section 4. Maintenance and Inspection of Corporate Records. The Accounting books, records and minutes of proceedings of the members and the Board and any committee(s) of the Board shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal executive office of the Association and shall be open to inspection on the written request of any member, at any reasonable time during usual business hours, for a purpose reasonably related to the member's interests as a member.

Section 5. Rental of Units. The Association shall not act as a rental agent for Owners of Timeshares.

Section 6. Rules and Regulations. The Board shall, from time to time, adopt and amend Rules and Regulations relating to the use, occupancy and reservation of Cabin Units and Timeshares.

ARTICLE IX EVIDENCE OF MEMBERSHIP

Evidence of Membership. The Board shall have the power, but

not the obligation, to cause the issuance of evidence of membership in the Association to the Members in such form as the Board shall determine.

ARTICLE X
AMENDMENTS

Amendments. These By-Laws may be amended by a majority of the members of the Association at a duly constituted meeting of the members for such purpose; provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation or the Timeshare Declaration.

DATED this 3RD day of June, 1995

BOARD OF DIRECTORS

[Signature]

[Signature]

[Signature]

[Signature]

STATE OF NEW MEXICO)

County of Colfax)

The foregoing instrument was acknowledged before me this 3RD day of June, 1995, by JOHN R. WAGGOWER, H.E. Peterson, Beth Ayres, ROGER A. AYRES.

[Signature]
Notary Public

My Commission Expires:

3-17-96