

COPY OF
FINAL BYLAWS

BYLAWS
OF THE
VISTA DEL PRADO
HOMEOWNERS' ASSOCIATION

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The affairs of the Vista del Prado Homeowners' Association, a New Mexico non-profit corporation, (hereinafter referred to as the "Association"), shall be administered and regulated pursuant to the following Bylaws, to wit:

ARTICLE 1

PURPOSE AND CONTROL

1.1 Purpose. The purpose for which this non-profit corporation is formed is to govern the real estate subdivision situated in the County of Santa Fe, State of New Mexico, which is known as the "Vista del Prado II and Vista del Prado III Subdivision", and which property is protected pursuant to the provisions of the Vista del Prado II Declaration of Restrictive and Protective Covenants and Building Restrictions and the Declaration of Protective Covenants for the Vista del Prado III Subdivision (hereinafter referred to as the "Declaration"); filed on April 11, 1996 as Document Number 941-483 recorded in Book 1259 Pages 790 to 813 and July 23, 2001 as Document Number 1165-105 recorded in Book 1944 Page 195 in the records of the County of Santa Fe, State of New Mexico; respectively. These Bylaws are subject to the provisions of the Declaration, and, in the event any Bylaw adopted by the Association is or becomes inconsistent with the Declaration, the provisions of the Declaration shall control and such Bylaw shall be void ab initio.

1.2 Owners Subject to Bylaws. All present or future Owners, present or future Occupants, or any other person or entity that might use in any manner any improvement on or any portion of the Subdivision are subject to the regulations set forth in these Bylaws. The mere acquisition or rental by any person of any of the Lots of the Subdivision or the mere act of occupancy of any of said Lots will signify that these Bylaws are accepted, ratified, and will be complied with by such person.

ARTICLE 2

DEFINITIONS

2.1 Reference to Declaration. All definitions stated in the Declaration are incorporated herein by reference as if fully restated in these Bylaws.

ARTICLE 3

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

3.1 Membership. Ownership of a Lot is required in order to qualify for membership in this Association. Any person on becoming an Owner of a Lot shall automatically become a member of this Association and be subject to these Bylaws and the Declaration. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot,

but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with Lot ownership, Association membership, and the Declaration or obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to the Lot Owners. Such membership card shall be surrendered to the Secretary whenever ownership of the Lot designated thereon shall terminate.

3.2 Voting.

(a) When more than one person or entity is an Owner to any Lot, all such persons shall be members. The vote for such Lot shall be exercised as such Owners determine, and in no event shall such multiple Owners vote more votes than they are entitled by the Lots owned.

(b) Each Owner shall be entitled to vote as provided in this Article on all matters properly submitted for vote to the membership of the Association. Every Owner entitled to vote at any election of members of the Board may cast one vote for a distinct candidate multiplied by the number of Directors to be elected and may not cumulate his votes for any one particular candidate. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of the beneficial interest of the fee of any Lot to a new Owner shall operate to transfer the appurtenant voting rights without the requirement of any express reference thereto.

(c) If title to any Lot shall be held by two or more persons, then each such co-tenant shall be a member of this Association and shall be entitled to a vote equal in weight to such co-tenant's percentage of ownership of the Lot multiplied by the percentage of ownership within the Subdivision appurtenant to such Lot. The co-tenant's percentage of ownership of a Lot shall be determined by the title document for such Lot; in the absence of specific limitation, co-tenants shall be presumed to have equal undivided interests. Any one co-tenant owner of a Lot attending a meeting may, and shall be deemed to have, the authority to cast the vote of all other co-owners of that Lot who are absent from such meeting and have not executed a proxy with respect to their vote thereat.

3.3 Definition of Percentage. When any provision of the Declaration or Bylaws calls for the vote or the consent of the members in any stated percentage, the following rules apply, unless the specific language of the provision provides to the contrary:

(a) whenever a vote of the members is required, it is sufficient to obtain the written consent of members having the same percentage of votes; and

(b) the percentage requirement shall be a percentage of the total voting power of the Association or of the total voting power of the required class or group and not a percentage of the number of members of the Association, class or group.

"Voting Power of the Association" means the total number of votes of all members at the time the pertinent vote is to be taken.

Any provision of this Declaration requiring a vote by the members shall be satisfied if the required percentage or number of members give their written consent. If any election held pursuant to the requirements of this Declaration, ballots may be transmitted to Owners in the manner provided for the giving of notice.

3.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of members having at least twenty-five percent (25%) of the total voting power of the Association shall constitute a quorum. Except as otherwise provided in the Declaration, affirmative vote of members who hold a majority of the votes present, Unit either in person or by proxy, shall be required to transact business and to adopt decisions binding on all Owners.

3.5 Proxies. Votes may be cast in person or by proxy. Proxies must be in writing, dated and filed with the Secretary before the appointed time of each meeting. A person may designate a non-member of his/her proxy. Revocation of any proxy may be made at any time or by written notice to the Secretary. A revocation of a proxy shall not affect any vote or act taken or authorized pursuant thereto prior to such notice to the Secretary. A proxy shall terminate one year after its date, unless it specifies a shorter term. Conveyance of a Unit or undivided interest therein by an Owner shall be deemed revocation of any proxy executed by such Owner unless the successor in interest to such Owner assumes or takes subject to a mortgage containing an irrevocable proxy.

ARTICLE 4

ADMINISTRATION

4.1 Association Responsibilities. The Owners of the Lots will constitute the Association, which will have the responsibility of administering the Subdivision through a Board of Directors (also known as the Subdivision Association Committee which is one and the same as the Architectural Committee).

4.2 Place of Meeting. Meetings of the members of the Association shall be held at such place as the Board of Directors may determine within Santa Fe County, New Mexico.

4.3 Annual Meeting. The first annual meeting of the members of the Association shall be held on a date selected by the Board of Directors between August 1 and August 31, 2001. Thereafter, the annual meetings of the Association shall be held on a date selected by the Board of Directors between May 1 and May 31 in each year. At such meetings, beginning in the year 2002, there shall be elected by ballot of the members a Board of Directors subject to election in accordance with the requirements of Article 5 of these Bylaws. The members may also transact

such other business of the Association as may properly come before the meeting.

4.4 Special Meetings. It shall be the duty of the President to call a special meeting of the members of the Association as directed by resolution of the Board of Directors or upon a petition signed by members having at least twenty percent (20%) of the of the voting power of the Association, which resolution or petition shall be presented to the President. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of members having at least seventy-five percent (75%) of the voting power of the Association, either in person or by proxy. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

4.5 Notice of Meeting. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of the Association, at least fourteen (14) days and not more than sixty (60) days prior to such meeting or as otherwise provided herein. The mailing of a notice in the manner provided in this paragraph shall be considered notice served. The certificate of the Secretary that notice was properly given as provided in these Bylaws shall be *prima facie* evidence thereof. Notices of meetings shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any Annual Budget changes, and any proposal to remove a director.

4.6 Adjourned Meetings. If any meeting of members of the Association cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time, for periods of no longer than one week, until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.7 Order of Business. The order of business at all meetings of the members of the Association shall be as follows:

- (a) roll call;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading of Minutes;
- (d) reports of officers;
- (e) reports of committees;
- (f) election of directors (annual meetings only);
- (g) unfinished business;
- (h) new business; and

- (i) adjournment.

4.8 Rules of Meetings. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and of the members of the Association and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 5

BOARD OF DIRECTORS

5.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons. The Board of Directors is also known as the Subdivision Association Committee and is one and the same as the Architectural Committee. The number of directors may be increased or decreased by amendment of the Declaration and these Bylaws; provided, however, that the number of directors shall not be reduced to less than three (3). Until their initial terms expire, the Board of Directors shall consist of those individuals named as such in the Association's Articles of Incorporation. Such original directors need not be members of the Association.

5.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may do all such acts and things as are not by law or by the Articles of Incorporation or these Bylaws or by the Declaration as directed to be exercised and done by the Owners.

5.3 Other Powers and Duties. In addition to the powers and duties permitted by law, the Board of Directors shall be empowered and shall have the duties as follows:

- (a) to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration, the Articles and the Bylaws;

- (b) to adopt, establish, make, publish, and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Subdivision with the right to amend same from time to time; a copy of such rules and regulations shall be delivered to or mailed to each member promptly upon the adoption thereof;

- (c) to keep in good order, condition and repair all of the road easements within the Subdivision;

- (d) to fix, determine, levy, and collect periodically, the prorated assessments to be paid by each of the Owners towards the gross expense of the entire Property and to

adjust, decrease or increase the amount of the assessment, and to credit any excess of assessments over expenses and cash reserves to the Owners against the next succeeding assessment period; to levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies; all assessments shall be in statement form and shall have set forth the detail of the various expenses for which the assessment are being made;

(e) to impose penalties and collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws;

(f) to enter into contracts within the scope of their duties and powers;

(g) to establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors;

(h) to keep and maintain detailed, full, and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit examination thereof at any reasonable time by each of the Owners and Mortgagees, and upon affirmative vote of at least a majority of the Lot Owners, to cause a complete audit to be made of the books and accounts by a competent certified public accountant;

(i) to prepare and deliver annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement;

(j) to designate and remove the personnel necessary to carry out the duties and responsibilities of the Association;

(k) to foreclose the lien against a Unit Ownership for default in the payment of assessments for Common or Special Expenses;

(l) to provide for reimbursement of expenses, if any, of directors and officers and for reasonable compensation of employees of the Association; this provision shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the Property in accordance with the provisions of this Article;

(m) to declare the office of a member of the Board of Directors to be vacant in the event such director shall be absent from three (3) consecutive meetings of the Board of Directors;

(n) to suspend the voting rights of a member of the Association for failure to comply with these Bylaws or the Regulations of the Association or with any other obligations of the Owners pursuant to the Declaration;

(o) acquire, hold and dispose of Units and mortgage the same if such expenditures and hypothecation are included in the budget adopted by the Association;

(p) in general, to carry on the administration of this Association and to do all of those things, necessary and reasonable and not inconsistent with the Act, the Declaration and these Bylaws, in order to carry out the governing and operation of the Subdivision.

5.4 Managing Agent. The Board of Directors may employ for the Association a managing agent, at a compensation established by the Board of Directors, to perform such day-to-day management duties and services as the Board of Directors shall delegate and authorize. The term of any contract with a managing agent shall not exceed three (3) years.

5.5 Election and Term of Office. Members of the Board of Directors shall be elected by a majority or plurality, as appropriate, of votes cast at the annual meeting of the members of the Association beginning in the year 2002; the terms of the initial directors provided in the Articles of Incorporation of the Association and the successor directors' service shall be as follows:

Position 1: until May 31, 2003;

Position 2: until May 31, 2003;

Position 3: until May 31, 2003;

Position 4: until May 31, 2002; and

Position 5: until May 31, 2002.

Upon the expiration of the term of any director position, the person elected to such position shall serve for a period of two (2) years such that the terms of the directors are partially staggered. A director shall serve until his or her term expires and a successor is duly elected and qualified, the director resigns or is unable to serve, or the director is removed in the manner hereinafter provided. Any vacancy in the Board of Directors occurring before the end of a term shall be filled in the manner provided in this Article.

5.6 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by decision of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the members of the Association.

5.7 Removal of Directors. At any regular or special meeting of the members of the

Association duly called, any one or more of the directors, excepting any director named in the Articles of Incorporation, may be removed with or without cause by the vote of majority of the Lot Owners, and a successor may then and there be elected to fill each vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

5.8 Organizational Meeting. The first meeting of newly elected Board of Directors shall be held within twenty (20) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

5.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors but at least one such meeting shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meetings. There shall be a regular meeting of the Board of Directors immediately following the annual meeting of members of the Association held pursuant to paragraph 4.3 hereof, and notice of such annual meeting to members of the Association in accordance with paragraph 4.5 hereof shall be deemed notice to each director of such regular meeting.

5.10 Special Meetings. Special meetings of the Board of Directors may be called by the President on seven (7) days' notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

5.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him/her of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.12 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

5.13 Action Taken Without a Meeting. The directors shall have the right to take any

action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board. Notwithstanding the foregoing, regular or special meetings of the Board of Directors may be held by telephone conference.

5.14 Compensation. The members of the Board of Directors shall serve without salary or compensation, but may be reimbursed for out-of-pocket expenditures authorized by the Board of Directors.

5.15 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

5.16 Common or Interested Directors. Each members of the Board of Directors shall exercise his/her powers and duties in good faith and with a view to the interests of the Association. No contract or other transaction between the Association and any of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which any of the directors of the Association are directors or officers or are pecuniarily or otherwise interested is either void or voidable because any such director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his/her vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the Minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) the fact of the common directorate or interest is disclosed or known to at least a majority of the Owners, and the Owners approved or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if such director were not such director or officer of such Association or not so interested.

ARTICLE 6

OFFICERS

6.1 Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors.

6.2 Election of Officers. The officers of the Association shall be elected annually, from the membership of the Association, by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Vacancies in the officers of the Association shall be filled by the Board. One person may hold concurrently the office of Vice President and Secretary or Vice President and Treasurer, but the President shall serve only in the office of President and the offices of Secretary and Treasurer shall not be held concurrently by one person. All officers, except the initial officers and the secretary, must be members of the Association or officers or directors of corporate owners, partners in any partnership or trustees of any trust owning a Unit, or other Persons similarly situated.

6.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

6.4 President. The President shall be elected from among the Board of Directors and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of a non-profit corporation, including but not limited to the preparation, execution, certification and recordation of amendments to the Declaration, the power to appoint committees from among the members from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

6.5 Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or due to the President's inability for any reason to exercise such powers and functions or perform such duties.

6.6 Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Directors and have minutes of all meetings of the Association. The Secretary shall have charge of

such books and papers as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last-known addresses as shown on the records of the Association.

Such a list shall also show opposite each member's name the number or other appropriate designation of the Subdivision Lot owned by such member, and the percentage of ownership of the Subdivision assigned to such Lot. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at a reasonable time during regular business hours.

6.7 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors, and shall pay all charges and obligations of the Association before the same shall become due.

6.8 Managing Agent. Subject to the Board of Directors' approval, the officers may delegate day-to-day management duties and services to a managing agent.

ARTICLE 7

INDEMNIFICATION AND LIABILITY

7.1 Indemnification. The Association shall indemnify every director and officer of the Association, and their heirs, executors, administrators, successors and assigns against all costs and expenses, including attorneys' fees, actually and necessarily incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a director or officer of the Association, except as to matters as to which such person shall be fully adjudged in such action, suit or proceeding to be liable for actual negligence or 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 actual negligence or misconduct in the performance of his/her duty as such director or officer in relation to the matter involved.

The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs 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. Nothing contained in this Section shall, however, be deemed to obligate the Association to indemnify any Owner who is or has been a director or officer of the Association with respect to any duties or

obligations assumed or liabilities incurred as an Owner under or by virtue of the Declaration, or his/her ownership of a Unit, as distinguished from his/her conduct and activities as an officer or director of the Association.

7.2 Non-Liability of the Directors and Officers. No director or officer of the Association shall be personally liable to the members of the Association for any mistake of judgment or for any acts or omissions of any nature whatsoever as such director or officer, except for any acts or omissions found by a court to constitute actual negligence or misconduct. No director or officer shall be personally liable with respect to any contract made by them on behalf of the Association.

7.3 Liability of Owners. The liability of any Owner arising out of any contract made by the officers or Board of Directors, or out of the aforesaid indemnity in favor of the members of the Board of Directors or officers, or for damages as a result of injuries arising in connection with the Common Elements solely by virtue of his/her ownership of an undivided percentage interest therein or for liabilities incurred by the Association, shall be limited to the total liability multiplied by such undivided percentage interest. Every agreement made by the officers, the Board of Directors or managing agent on behalf of the Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Common Expense liability.

7.4 Non-Liability of Association. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense. The Association shall not be liable to any Lot Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Lots. No diminution or abatement of any assessments, as provided in the Declaration or these Bylaws, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

7.5 Liability Insurance Policy. The Association shall maintain a liability insurance policy for protection of the Association and its Members, Directors, and Officers with coverage protection limits of between \$1,500,000 and \$2,000,000 per each occurrence and between \$3,000,000 and \$4,000,000 general aggregate, based on year 2001 dollars.

ARTICLE 8

MORTGAGES

8.1 Notice to Association. An Owner who mortgages his/her Unit shall notify the Association through the managing agent, if any, or the Secretary of the Association, giving the name and address of his/her Mortgagee. The Association shall maintain such information in a book entitled "Mortgages of Lots."

8.2 Notice of Unpaid Assessments. The Association shall at the request of a Mortgagee of a Unit report any unpaid assessments due from the owner of such Unit upon the payment of such reasonable charge as may be determined by the Board.

ARTICLE 9

EVIDENCE OF OWNERSHIP AND REGISTRATION OF MAILING ADDRESS

9.1 Proof of Ownership. Except for those Owners who initially purchase a Unit from Declarant, any Person on becoming an Owner of a Unit shall furnish to the managing agent or Board of Directors a photocopy or a certified copy of the recorded instrument vesting that Person with an interest or ownership which instrument shall remain in the files of the Association. Such Person shall neither be deemed to be a member of the Association in good standing nor shall he be entitled to vote at any annual or special meeting of members of the Association unless this requirement is first met.

9.2 Registration by Owner of Mailing Address. Each Owner shall register his/her mailing address with the Association upon becoming an Owner of a Unit. Except for regular periodic assessment statements, notices of annual and special meetings as provided in the Bylaws, and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. In the event an Owner fails to register his address with the Association in accordance herewith, the Association shall send all notices, statements, demands, etc. to such Owner at the address of his/her Unit.

All notices, demands, or other notices intended to be served upon the Board or the Association shall be sent by certified mail, postage prepaid, to Vista del Prado Homeowners' Association, 2300 Camino del Prado, Santa Fe, New Mexico, 87507, until such address is changed by a notice of address change duly recorded in the office of the County Clerk of Santa Fe County, New Mexico. All notices, demands, statements or other information shall be deemed furnished and delivered to an Owner, Mortgagee or Person other than the Association upon deposit thereof in the

U. S. mail or at a telegraph office, postage or charges prepaid, addressed to the party in accordance with this subparagraph, and in any event, upon actual receipt by such party.

ARTICLE 10

CONTRACTS, SIGNATORIES, ETC.

10.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officer so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of this Association. Such authority shall be confined to specific instances.

10.2 Checks and Drafts, etc. All checks, drafts, other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as from time to time shall be determined by written resolution of the Board of Directors.

10.3 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, financial institutions or other depositories as the Board of Directors may select.

10.4 Gifts. The Board of Directors may accept on behalf of the Association any contributions, gifts, bequests or devises for the general purposes or for any specific purpose of the Association.

ARTICLE 11

BOOKS, RECORDS, AND INSPECTION THEREOF

11.1 Maintenance. The Association shall keep correct and complete books and records of account and shall also keep minutes of the meetings of the members of the Association, and of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of all members of the Association. All books and records of the Association shall be open for inspection by any Owner or holder of a bona fide lien of record against any Unit Ownership, or any representative of either, duly authorized in writing, at such reasonable time or times as may be requested by such Owner, lienholder, or representative.

ARTICLE 12

FISCAL YEAR

12.1 Fiscal Year. The fiscal year of the Association shall end on the 31st day of December of each year, unless another fiscal year shall be adopted by resolution of the Board of

Directors.

ARTICLE 13

WAIVER OF NOTICE

13.1 Waiver. Whenever any notice whatever is required to be given under the provisions of the laws of the State of New Mexico or under the provisions of the Declaration, Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 14

ASSESSMENTS

14.1 Liability of Owners. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Unit against which the assessment is made. Any assessment which is not paid when due shall be deemed to be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of eighteen percent (18%) per annum.

The Association may bring action at law against the Owner personally obligated to pay the same and foreclose the lien against the pertinent Unit, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for therein by non-use of the Common Elements or abandonment of his/her Unit. A suit to recover a money judgment for unpaid expenses hereto shall be maintainable without foreclosing or waiving the lien securing the same. All of the above shall be done in total compliance with the requirements set forth in the Declaration.

ARTICLE 15

CORPORATE SEAL

15.1 Corporate Seal. The Association shall have no corporate seal. The absence of a seal from any documents to be executed in behalf of said Association shall not affect the validity of

such documents.

ARTICLE 16

CHARACTER OF ASSOCIATION

16.1 Non-profit Association. This Association is not organized for profit. No member, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive any pecuniary gain from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member, member of the Board of Directors or officer; provided, however, always (1) that reasonable compensation may be paid to any member, manager, director or officer while acting as an agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and (2) that any member, manager, director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE 17

AMENDMENTS TO BYLAWS

17.1 Bylaws. These Bylaws may be amended by the members of the Association at a duly constituted meeting for such purpose, but no amendment shall take effect unless approved by members having at least eighty percent (80%) of the voting power of the Association.

IN WITNESS WHEREOF, the undersigned officers of the Association have hereunto set, their hands and seals this ____ day of _____, 2001.

Vista del Prado Homeowners' Association, a
New Mexico non-profit corporation

By: _____
Allan Wood, President

By: _____
Leslie Reynolds, Secretary

STATE OF NEW MEXICO)

COUNTY OF SANTA FE) SS.
)

This instrument was acknowledged before me this ____ day of _____, 2001, by Allan Wood, President, and Leslie Reynolds, Secretary, of the Vista del Prado Homeowners' Association, a New Mexico non-profit corporation, on behalf of said non-profit corporation.

Notary Public

My Commission Expires:
