

HACIENDA DE VALDEZ CONDOMINIUM ASSOCIATION, INC. BYLAWS

AMENDED AUGUST 2, 2014

ARTICLE I. NAME

The name of this nonprofit corporation, incorporated in the County of Taos, State of New Mexico, shall be Hacienda de Valdez Condominium Association, Inc. (hereinafter referred to as "Association.") Its duration shall be until it is dissolved.

ARTICLE II. OBJECT

Section 2.1 Object. The purposes of the Association are to govern the condominium property which is subject to the provisions of the New Mexico Condominium Act 47-7A-1 to 47-7D-20 NMSA 1982, and to promote the common interests and welfare of its members.

Section. 2.2 Compliance. All present or future Owners, Tenants, or any other Person who might use in any manner the facilities of the project are subject to the regulations set forth in these Bylaws and in the New Mexico Condominium Act 47-7A-1 to 47-7D-20 NMSA 1982. The mere act of occupancy of any of said condominium property Units will signify that all such occupants do accept and ratify, and will comply with these Bylaws and the New Mexico Condominium Act 47-7A-1 to 47-7D-20 NMSA 1982.

ARTICLE III. MEMBERS

Section 3.1 Membership in the Association. Membership in the Association shall be limited to Unit Owners of the Hacienda de Valdez Condominium Complex. Members are subject to these Bylaws. Membership terminates whenever such person ceases to own a condominium Unit, but termination shall not relieve or release any former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of Ownership and membership in the Association.

Section 3.2 Voting Rights. Each Unit that has paid all dues and Assessments shall be entitled to one vote.

Section 3.3 Proxy Voting. A vote may be cast by proxy granted by a Unit Owner of record in favor of another Owner or Mortgagee. Proxies shall be duly executed in writing, be received by the Secretary of the Association by no later than when the Meeting is called to order, and be valid for only the particular Meeting designated. Any such proxies received shall be revocable upon receipt by the person presiding over the Meeting from the Unit Owner.

ARTICLE IV. MEETINGS

Section 4.1 Annual Meeting. The Annual Meeting of the Association shall be determined by the Board of Directors (hereinafter referred to as "Board.") The purpose of the Meeting shall be to elect a Board by majority vote of the Owners present including proxies, to ratify the proposed Association budget, and to transact any other business of the Association as may properly come before it. All business approved upon by the Association at the Annual Meeting shall be decided by a majority vote of the Owners present including proxies.

Section 4.2 Place of Meeting. A Meeting of the Association shall be determined by the Board and shall be held at a place within the State of New Mexico that is convenient to the Unit Owners.

Section 4.3 Special Meetings. The President may call a Special Meeting of the Unit Owners (hereinafter referred to as "Owners.") upon his own initiative or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third of the Owners. No business except as stated in the notice of Special Meeting shall be transacted at a Special Meeting unless by consent of two-thirds of the Owners present, either in person or by proxy. Any such Meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

Section 4.4 Notice of Annual Meeting. The Secretary shall email or deliver a notice of each Annual Meeting at least ninety (90) days prior to such Meeting. The Secretary shall mail, email or deliver a second notice of each Meeting to each Owner of record at least ten (10), but not more than thirty (30) days prior to such Meeting. The second notice of the Annual Meeting must state the time, place and purpose of the Meeting.

Section 4.5 Notice of Special Meeting. The Secretary shall mail, email or deliver a notice of each Special Meeting to each Owner of record at least ten (10), but not more than thirty (30) days prior to such Meeting. The notice of the Special Meeting must state the time, place and purpose of the Meeting.

Section 4.6 Notice of Association Budget and Proxy Form. The Secretary shall mail, email or deliver a proposed Association Budget and a Proxy Form to each Owner of record at least ten (10), but not more than thirty (30) days prior to the Annual Meeting.

Section 4.7 Quorum Requirements. All Association Meetings as described above shall require the presence or proxy of at least 20% the eligible members. If there was a quorum when the Meeting was called to order, a quorum is presumed to continue throughout the Meeting even if some of the members leave.

Section 4.8 Adjourned Meetings. If any Meeting of Owners cannot be held because of lack of quorum, the Owners who are present, either in person or by proxy, may reschedule the Meeting.

Section 4.9 Order of the Business. The order of business at all Meetings of the Association shall be as follows:

- (a) Roll call and certification of proxies and quorum.
- (b) Proof of notice of Meeting.
- (c) Reading of Minutes of previous Meetings.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of directors.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

ARTICLE V. BOARD OF DIRECTORS

Section 5.1 Board of Directors. A four person Board of Directors shall be elected to a one year term by majority vote at the Annual Association Meeting. Each member of the Board shall be a member of the Association. The Board shall take office immediately following the end of the Annual Association Meeting.

Section 5.2 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium property as set forth in the New Mexico Condominium Act 47-7A-1 to 47-7D-20 NMSA 1982. Such powers and duties of the Board shall be done for and on behalf of the Owners of the condominium Units.

Section 5.3 Removal of a Director. 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 be elected to fill the vacancy. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the Meeting prior to the vote.

Section 5.4 Organizational Meeting. Within 10 calendar days following the Annual Association Meeting, the Board shall hold an Organizational Meeting. The purpose of the Meeting shall be to select and vote upon the officers of the Association, and to transact any other business of the Association as may properly come before it.

Section 5.5 Regular Meetings. Regular Meetings of the Board may be held at such time and place and in such manner as shall be determined by a majority of the Directors, but at least two (2) such Meetings shall be held during each calendar year. Notice of Regular Meetings of the Board shall be given to each director personally or by mail, email or telephone at least seven (7) days prior to the day named for such Meeting.

Section 5.6 Special Meetings. Special Meetings of the Board may be called by the President or upon written request of two or more Directors. Three (3) days' notice must be given to each Director either personally or by mail, email or telephone. The notice shall state the time, place, manner and purpose of the Meeting.

Section 5.7 Board of Directors Quorum. At all Meetings of the Board, 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.

Section 5.8 Managing Agent. The Board may employ for the Association a Managing Agent at a rate of compensation approved by the Board to perform such duties and services as the Board may authorize. The Managing Agent shall not be an Officer or Director of the Association

Section 5.9 Compensation. No Director shall receive compensation for service on the Board. The Board may authorize the Treasurer to reimburse actual expenses incurred by any Director in connection with the performance of duties. A written explanation of the expense along with receipt must be submitted to the Treasurer.

ARTICLE VI OFFICERS

Section 6.1 Officers. The officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, all of whom shall be elected by the Board, and such assistant officers as the Board shall from time to time elect. Such officers need not be a member of the Board, but each shall be a member of the Association.

Section 6.2 Election. The officers of the Association shall be elected annually by the Board at an organizational Meeting. The officers shall take office immediately following the election and shall hold office at the pleasure of the Board. No person may hold more than one office at a time, no person shall serve more than two (2) consecutive years in the same office or until the successor is elected, or unless an additional year has been approved by a vote of the Board. The Board may redefine the powers and duties of each officer except as otherwise provided in these Bylaws or by New Mexico law.

Section 6.3 President. The President shall be the chief executive officer of the Association and shall have general authority and responsibility over the affairs and property of the Association and its Directors and employees and shall generally perform all activities incident to the office of President permitted by law. The President shall be an ex officio member of all committees and, along with the Treasurer, shall have the authority to execute the Association's financial documents.

Section 6.4 Vice President. The Vice President shall perform any of the duties of the President at his/her request or in his/her absence or disability. When so acting, the Vice President shall have all the powers of and be subject to all restrictions upon the President as established in these Bylaws. The Vice President shall perform such other duties as may be designated by the President or Board.

Section 6.5 Treasurer. The Treasurer shall act under the supervision of the President and Board and shall have responsibility for Association funds, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association; unless a Managing Agent has been delegated the responsibility of collecting and disbursing funds. Thereafter, the Treasurer's responsibilities shall be to review the accounts of the Managing Agent not less than semi-annually. The Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as may be designated by the President or Board.

Section 6.6 Secretary. The Secretary shall keep the minutes of all Meetings of the Association and the Board. The Secretary shall see that all notices are given in accordance with these Bylaws and as required by law, shall be responsible for the books, records and papers of the Association relating to its incorporation, and shall see that all reports, statements and other documents required by law are properly filed, except to the extent that financial documents may be kept and filed by the Treasurer. The Secretary shall perform all the duties incident to the office of Secretary and such other duties as may be designated by the President or Board.

Section 6.7 Removal of an Officer. Any officer may be removed, either with or without cause, by a majority vote of the Board and his successor elected at any Regular Meeting of the Board, or at any Special Meeting of the Board called for such purpose.

ARTICLE VII OPERATIONS

Section 7.1 Fiscal Year. The fiscal year of the Association shall be October 1 to September 30 unless otherwise determined by the Board.

Section 7.2 Budget. A budget for the Association shall be proposed, ratified and adopted at least forty five days (45) before the beginning of the fiscal year. The budget shall contain an estimate of the total amount which will be required during the fiscal year for the administration, operation, maintenance and repair of the property and the rendering to the Owners of all related services. The budget shall also contain reasonable amounts considered necessary to provide working capital, a general operating reserve and a contingency reserve. The Secretary shall mail, email or deliver a copy of the proposed budget which sets forth the amount of the Common Expenses and any Special Assessment payable by each Unit Owner to each Owner of record at least ten (10), but not more than thirty (30) days prior to the Annual Meeting.

Section 7.3 Assessments. The total amount of the estimated funds due from each Unit Owner to cover the operating expenses of the Association shall be assessed against each Owner in proportion to his common expense liability and shall be a lien against each Owner's interest. On or before the first day of each fiscal year or on such other dates as determined by the Board each Owner shall be obligated to pay his annual Assessment.

Section 7.4 Special Assessments. The Board may from time to time levy a Special Assessment for an Association expense that was under-budgeted or not budgeted. Any Special Assessments during one year that total more than 5% of the budgeted expenses for that year require Owner approval except in emergency circumstances. All Owners must be notified of a new or increased Special Assessment 30-60 days before it is due.

Section 7.5 Liens. The Association shall have a lien on a Unit for any Assessment levied against that Unit or for fines imposed against that Unit's Owner from the time the Assessment or fine becomes due. If an Assessment is payable in installments, the full amount of the Assessment shall be a lien from the time the first installment becomes due. The Association's lien may be foreclosed in like manner as a mortgage on real estate.

Section 7.6 Insurance. The Association shall maintain, to the extent reasonably available:

- a) Property insurance. on common areas and all Units excluding furnishings or other personal property installed by Unit Owners against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after deductibles shall not be less than eighty percent (80%) of actual cash value exclusive of land and other items normally excluded from property policies.
- b) Liability insurance. Including medical payments insurance and insurance covering libel, slander, false arrest and invasion of privacy coverage, and errors and omissions coverage for Directors; in an amount determined by the Board covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, Ownership or maintenance of the common elements.
- c) Fidelity insurance. Adequate fidelity insurance to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association.
- d) Other insurance that may be required by any governmental agency.

Section 7.7 Right of Entry. The Managing Agent or any other person authorized by the Board has the right of entry into any Unit in case of any emergency originating in or threatening a Unit,

whether the Owner is present at the time or not. An Owner shall permit other Owners, or their representatives, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other Units, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In the case of an emergency, such right of entry shall be immediate. The Board or the Managing Agent has the right to enter any Unit and to summarily abate and remove, at the expense of the defaulting Unit Owner, any person, structure, thing or condition that may exist therein in violation or breach of the Bylaws and to abate or remedy by appropriate legal proceedings, the continuance of any breach.

Section 7.8 Financial Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the New Mexico Condominium Act. All financial and other records shall be made reasonably available for examination by any Unit Owner and his authorized agents.

Section 7.9 Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be determined by the court.

Section 7.10 Legal Proceedings. Failure to comply with any of the terms of the Declaration or these Bylaws shall be grounds for relief, including without limitation, an action to recover any sums due for the money damages, injunctive relief, foreclosure of the lien for payment of all Assessments and dues, and any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board, the Managing Agent, or if appropriate, by any aggrieved Owner and shall not constitute an election or remedies. Any costs and/or attorney fees associated with engaging an attorney in the collection of delinquent Assessments, dues, or fees, including but not limited to the filing of claims of lien against a Condominium Unit, shall be charged against the delinquent Owner.

ARTICLE VIII USE OF UNITS

Section 8.1 Use of Property. No part of the property shall be used for other than residential housing. No industry, business, trade, occupation or profession of any kind, shall be conducted, maintained or permitted on any part of the Property. Each Unit Owner shall keep his Unit and any limited common areas to which he has sole or shared access in good state of preservation and cleanliness. No Unit Owner shall permit anything to be done, or kept in his Unit, or in the Common Areas or the Limited Common Areas which will result in the cancellation of insurance on any of the buildings or contents, or which would be in violation of any law.

Section 8.2 Use of Common Area. Each Owner may use the general common areas located within the entire condominium project in accordance with the purpose for which they were intended.

Section 8.3 Use of Limited Common Areas. The Limited Common Areas forming a patio or balcony adjacent to each Unit may be used as normal accessories to a residential house.

Section 8.4 Common Areas. The Common Areas shall be kept free and clear of rubbish, debris, obstructions and other unsightly materials. Nothing shall be stored in the Common Areas including baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs without the prior written consent of the Board. Nothing shall be done in the Common Areas which will increase the rate of insurance of any of the buildings, or contents, without the prior written consent of the Board.

Section 8.5. Exterior of Units. Nothing may be hung or displayed on the outside of windows, walls or doors or roof of a building. No sign, awning, canopy or shutter may be affixed to or placed on the exterior of any building without the prior written consent of the Board. No radio antennas except with written consent of the Board in accordance with Section 5-12-1 NMSA 1978, (2002). Not more than one (1) small television satellite antenna may be installed on the exterior of a Unit. No clothes, sheets, blankets, laundry or any kind of other articles shall be hung outside of a Unit.

Section 8.6 Animals. Dogs, cats or other household pets that have been approved by the Association Board may be kept within Units and on adjacent balconies provided that any such pet does not cause or create a nuisance, or unreasonable noise. Any such pet causing or creating a disturbance shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board. No animals may be kept, bred or maintained for any commercial purposes. All animals must be either carried or on a leash when in any portion of the Common Areas. All animal waste must be immediately removed by animal Owner.

Section 8.7 Noise and Disturbances. - No noxious or offensive activity shall be carried on in any Unit, the Common Areas, or the Limited Common Areas. No occupant shall play upon or allow to be played upon, any musical instrument, television or other sound device in the premises at such high volume or in such other manner that it shall cause disturbances to other Unit Owners.

Section 8.8 Parking Areas. The open parking areas are reserved for automobiles and light-duty trucks. No Unit Owner, or occupant residing in any Unit shall park more than two (2) vehicles on the Common Area parking areas except by written approval of the Board. No vehicle, including recreational vehicles or trailers of any kind may be stored in the parking areas except by written approval of the Board.

Section 8.9 Interior Alterations. An Owner shall not make structural modifications or alterations to his Unit without the written approval of the Board. The Association has the obligation to answer an Owner's request within thirty (30) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

Section 8.10 Exterior Alterations. An Owner shall not make any alterations, additions or changes to the exterior of buildings without the written approval of the Board. This includes any and all doors, windows, walls, roofs, light fixtures, railings, stairs, sidewalks or other portions of the building. Unit Owners shall submit for approval any paint, stain or other color change of any exterior portion of any building. No Unit Owner shall alter a lock or install a new lock on any exterior door of a Unit without the written approval of the Board. In case such consent is given, the Unit Owner shall provide the Board or its agent, with an additional key.

ARTICLE IX AMENDMENTS

Section 9.1 Amendments. The Board may amend the Bylaws or any portions thereof. Any member in good standing may submit in writing to the Board a proposed amendment at any time throughout the year. Changes shall take effect upon ratification by a majority vote of the required number of Association members at an Association Meeting which includes this stated purpose and which has had proper notice.

Section 9.2 Amended Declaration. These Bylaws amend and restate in their entirety the Amended Bylaws of Hacienda de Valdez Condominium Association, Inc. dated as of January 2, 1981 and any amendments thereto, and are adopted pursuant to the New Mexico Condominium Act Section 47-7C-6 NMSA 1982.

Section 9.3 Prior Actions in Effect. All motions, resolutions and policies passed by prior Boards shall be carried forward upon ratification of these Bylaws unless they are determined to materially conflict with these Bylaws; if a conflict is determined, the conflicting motion shall be declared null and void and may be replaced as necessary by the Board.

Section 9.4 Execution and Certification. A certified copy of such resolution with the affidavit of the President and Secretary that the resolution was duly adopted by a majority vote of the Members at a Meeting held in accordance with the provisions of these Bylaws shall be filed and recorded and thereupon the certificate of Association and bylaws shall be deemed to be amended accordingly. A copy of such certificate of amendment certified by the Secretary of State or the County Clerk shall be accepted as evidence of each change or amendment in all courts and places.

IN WITNESS WHEREOF, the President and Secretary have caused these Bylaws to be executed and attested on behalf of the Unit Owners' Association of the Hacienda de Valdez Condominium Association, Inc.

Nancy Keller, President

Dated

Dana Christian, Vice President & Acting Secretary

Dated