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BYLAWS

OF

CRESTA HOMEOWNERS' ASSOCIATION

1993
CORPORATION

ARTICLE I

CORPORATE OFFICE

The principal office of the corporation shall be located at 141 East Palace Avenue, Santa Fe, New Mexico. Capitalized terms not defined herein are defined in the Declaration of Covenants and Restrictions for Cresta Homeowners' Association dated January 1, 1983 ("Declaration").

ARTICLE II

MEMBERSHIP

§2.1 Members. In accordance with §53-8-11 NMSA 1978, there shall be one class of members, comprising all record owners of fee interests in and to any lot in Tract J (Cresta), a single-family lot development in Estancia Primera, Santa Fe, New Mexico.

§2.2 Voting Rights. The voting rights of the members shall be one vote for each lot within Tract J (Cresta); accordingly, if any member holds a fractional interest in the entire fee interest in a given lot, then he shall be entitled to a fractional vote in the same proportion as his fractional interest bears to the entire lot.

§2.3 Meetings. The members shall meet at least annually for the purpose of electing the members of the Board of Directors, and to conduct any other business properly before such meeting. The first annual meeting shall be held on or before the

second Friday in June, 1983, and within each twelve-month period thereafter. Special meetings of the members may be called at any time by the President, with concurrence of the Board of Directors, or upon the written request of one-fourth (1/4) of the lots.

ARTICLE III

BOARD OF DIRECTORS

§3.1 General Powers. The affairs of the corporation shall be managed by the Board of Directors.

§3.2 Number, Tenure and Qualifications. The number of directors of the corporation shall be three (3). The number of directors may be increased from time to time by amendment to these Bylaws, but no amendment shall have the effect of shortening the term of any incumbent director, and there shall always be at least three (3) directors. The term of office of each director shall be until the next annual meeting of the Board of Directors, and each director shall hold office for the term for which he is elected and until his successor has been elected and qualified. Directors need not be residents of the State of New Mexico.

§3.3 Duties and Powers. The Board of Directors shall have control and management of the affairs of the corporation. The directors shall in all cases act as a board and regularly convene, and in the transaction of any business, the act of a majority present at a meeting, except as otherwise provided by law, shall be the act of the board, provided a quorum is present. The directors may adopt such rules and regulations for the conduct of their meetings and the management of the corporation as they may deem proper, not inconsistent with law or these Bylaws.

§3.4 Method of Election. Election to the Board of Directors shall be by ballot, cast at the annual meeting. Obtaining a simple majority of the lots entitles a person (who is a member of the Association) to serve on the Board.

§3.5 Resignation and Removal. Any elected director may be removed from the Board, with or without cause, by a majority vote of the lots. In the event of death, resignation or removal of a director, the successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor Board member.

§3.6 Powers. Consistent with Article III of the Declaration, the Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Tract Common Area. No member shall construct improvements within the Tract Common Area, nor shall the Association be empowered to do so, except as provided in Article IV of the Declaration.

(b) Exercise for the Association all powers, duties and authority in or delegated to the Association which are not reserved expressly to its membership, or to the Master Association of its membership.

(c) Establish, assess and collect dues to pay for legitimate Association expenses and collect and transmit dues assessed by the Master Association.

§3.7 Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members, or at any special meeting

when such statement is requested in writing by one-fourth (1/4) of the lots.

(b) Supervise all officers, agents and employees of the Association and see that their duties are properly performed.

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each lot prior to the beginning of each fiscal year.

(2) Send written notice of each assessment to every owner prior to the beginning of each fiscal year.

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(f) Cause the Tract Common Area to be maintained.

§3.8 Meetings.

(a) Regular Meetings. Regular meetings of the Board of Directors shall be held monthly as required without notice, at such place and hour as may be fixed from

time to time by resolution of the Board.

(b) **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

(c) **Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

(d) **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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IV

OFFICERS

§4.1 **Enumeration of Officers.** The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may, from time to time, by resolution create.

§4.2 **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

§4.3 **Term.** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be

removed, or otherwise disqualified to serve.

§4.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

§4.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

§4.6 Vacancies. A vacancy in office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

§4.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4.4.

§4.8 Duties of Officers. The duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors and of members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal, if any, and affix it on all papers requiring said seal; serve notices of meeting of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

(d) The treasurer shall receive and deposit in appropriate bank and savings and loan accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE V

FISCAL YEAR

The corporation shall have a fiscal year which shall be determined by the Board of Directors during the first twelve months of operation of the corporation. Such fiscal year shall end on the last day of any one calendar month, and shall begin the first day of the next succeeding calendar month.

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ARTICLE VI

NOTICE

§6.1 Generally. Written notice of any annual or special meeting of the members of the Association shall be mailed to the last-known address of each member by the Secretary at least fifteen (15) days prior to such meeting, and proof of such mailing shall be proof of such notice. The notice to members shall specify the method voting (whether in person or by proxy), the place, day and hour of the meeting, and, in the case of a special meeting, the purpose thereof.

§6.2 Waiver. Whenever, under the provisions of these Bylaws or of any statute, any director is entitled to notice of any regular or special meeting or of any action to be taken by the corporation, such meeting may be held or such action may be taken without the giving of such notice, provided every director entitled to such notice in writing waives the requirements of these Bylaws in respect thereto.

ARTICLE VII

INDEMNIFICATION

The indemnification of officers and directors of this corporation shall be such as is provided in §53-8-26A, NMSA 1978. In all cases not covered by subsection A of that Section, the corporation hereby indemnifies any director or officer or former director or officer of the corporation against expense and cost (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action of court or otherwise, by reason of his being or having been a director or officer of this

corporation, except in relation to matters as to which he shall have been guilty or of actual negligence or misconduct in the performance of his duties as director or officer.

ARTICLE VIII

AMENDMENTS

Consistent with the provisions of the Declaration, any of these Bylaws may be altered, amended or repealed by a vote of two-thirds (2/3) of the lots at any properly assembled annual or special meeting of the members of the Association.

CERTIFICATE

We, the undersigned President and Secretary of CRESTA HOMEOWNER'S ASSOCIATION, a corporation organized and existing under the nonprofit corporation laws of the State of New Mexico, do hereby certify that the foregoing Bylaws were duly adopted by the corporation pursuant to unanimous consent of the Directors dated April 7, 1993, and that they constitute the Bylaws of the corporation.

IN WITNESS WHEREOF, we have affixed our hands this 4th day of

June, 1993.

, President

, Secretary

STATE OF NEW MEXICO)
) ss
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 4th day of June, 1993, by William Buchsbaum and Mary E. Walta, President and Secretary, respectively, of CRESTA HOMEOWNERS' ASSOCIATION, a New Mexico corporation, on behalf of said corporation.

Cassie Romero
Notary Public

My Commission Expires:

9-28-95