

**FIRST AMENDED AND RESTATED
BY-LAWS
OF**



ESTANCIAS DELPHINE BACA HOMEOWNERS ASSOCIATION

These First Amended and Restated Bylaws of the Estancias Delphine Baca Homeowners Association, Inc., a New Mexico non-profit corporation ("Association") formed pursuant to the Non-Profit Corporation Act of the State of New Mexico, Section 53-8-1, et. seq., N.M.S.A. 1978, amend, restate and supercede in their entirety the Bylaws of the Association adopted on October 24, 1995 (the "Initial Bylaws") and recorded as Exhibit "D" of the Initial Declaration (defined in the Declaration hereinafter defined) in Book 1346, commencing at Page 155 of the records of Santa Fe County, New Mexico. Pursuant to Article 10 of the Initial Bylaws, L & L Development LLC ("Declarant"), as the Owner of all Lots in the Estancias Delphine Baca Subdivision, and thereby the sole member of the Association and its Board of Directors, hereby amends the Initial Bylaws to administer and regulate the Association. "Bylaws" as used herein means the Bylaws as amended and restated herein.

ARTICLE 1. Purpose

1.1 Purpose. The purpose for which this non-profit corporation is formed is to govern the subdivision situated in the County of Santa Fe, State of New Mexico, which is known as the "Estancias Delphine Baca Subdivision", and which property is subject to that certain Amended and Restated Declaration of Protective Covenants for the Estancias Delphine Baca Subdivision (the "Declaration") recorded at Book 2242, commencing at page 884 of the real property records of Santa Fe County. 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, or any other person or entity that might use in any manner the facilities on the Subdivision are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any Lots or the mere act of occupancy of any of said Lot will signify that these Bylaws are accepted, ratified and will be complied with.

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**

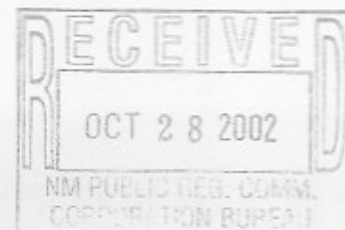
3.1 Membership. Ownership of a Lot is required in order to qualify for membership in this

Association. Any person on becoming an Owner of a Lot shall automatically become a member of this Association and be subject to these Bylaws. 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 arising out of or in any way connected with ownership, membership, covenants and obligations incident thereto.

3.2 Voting. As provided in the Declaration, each Owner of a Lot shall be entitled to one vote. However, if a Lot is owned by two or more persons, only one vote shall be permitted. Any one co-tenant Owner of a Lot attending a meeting may, and shall be deemed to have, the authority to cast the vote for that Lot. Cumulative voting in the election of Directors shall be permitted. Notwithstanding the foregoing to the contrary, as provided in the Declaration, Declarant shall have the right and authority to appoint and remove the initial members of the Board and thereafter continue to appoint and remove a majority of the members of the Board, until the first to occur of the following: (a) all Lots within the Subdivision have been conveyed to Owners other than Declarant, (excepting a successor Declarant), as evidenced by written conveyance documents recorded in the office of the County Clerk of Santa Fe County, New Mexico, and construction of residential improvements on all Lots within the Subdivision have been completed as evidenced by final building and occupancy approvals issued by the governing building inspection authority, or (b) the tenth (10th) anniversary of the date this Declaration is recorded in the Office of the County Clerk of Santa Fe County, New Mexico (the "Control Period"). Declarant may voluntarily surrender the right to appoint and remove members of the board before termination of the Control Period, in which case Declarant reserves the right to record an instrument specifying that, until the time Declarant would have been required to end control of the Board, certain actions of the Board must be approved by Declarant before they become effective.

3.3 Quorum. Except as otherwise provided in these Bylaws and the Declaration, the presence in person or by proxy of members who are the Owners of at least fifty percent (50%) of the Lots shall constitute a quorum. Except as otherwise provided in the Declaration, affirmative vote of a majority of Owners present, either in person or by proxy, shall be required to transact business and to adopt decisions binding on all Owners.

3.4 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 Lot 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. Member Meetings

4.1 Association Responsibilities. The Owners will constitute the Association, which will have the responsibility of administering the Property through a Board of Directors.

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 annual meetings of the Association shall be held on a date selected by the Board of Directors between August 15 and December 15 of each year. At such meetings the members shall elect a Board of Directors. 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 Owners of at least twenty percent (20%) of the Lots, 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 who are the Owners of at least seventy-five percent (75%) of the Lots. 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 ten (10) days and not more than sixty (60) days prior to such meeting or as otherwise provided herein and in the Declaration. 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 General Powers. The business and affairs of the Association shall be managed by its board of directors.

5.2 Number, Tenure, Election and Qualifications. The number of directors of the Association shall be three, unless modified by the Directors. Each director shall hold office from election until the next annual meeting of directors and until his successor shall have been elected and qualified. Directors need not be members of the Association or residents of the State of New Mexico.

5.3 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration and maintenance of the subdivision. 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.

5.4 Other Powers and Duties. In addition to the powers and duties set forth in the Act and the Declaration, 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 Property 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 common elements and easements

including but not limited to the terrain berm and landscape plantings required under Article III, Section 5 of the Declaration;

(d) to obtain and maintain all insurance as provided in the Declaration, pay premiums therefor and adjust and settle any claims thereunder;

(e) 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;

(f) 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;

(g) to protect and defend the entire premises from loss and damage by suit or otherwise;

(h) to borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and to execute all such instruments evidencing such indebtedness as the Board may deem necessary, and such indebtedness shall be the several obligation of all the Owners in the same proportion as the number of Lots they own; provided, however, that the Board of Directors shall not borrow more than \$500 or cause the Association to be indebted for more than \$500 at any one time without the prior approval of the members;

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

(j) 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;

(k) 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 Owners, to cause a complete audit to be made of the books and accounts by a competent certified public accountant;

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

(m) to designate and remove the personnel necessary for the operation, maintenance, repair and replacement of any common easements;

- (n) to foreclose the lien against a Lot for default in the payment of assessments;
- (o) 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;
- (p) 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;
- (q) 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;
- (r) 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 Declaration and these Bylaws, in order to carry out the governing and operation of the Property.
- (s) to issue a statement for unpaid assessments as provided in Article VII of the Declaration.

5.5 Regular Meetings. A regular meeting of the board of directors shall be held without other notice than this By-Law following the annual meeting of members. The board of directors may provide, by resolution, the time and place, either within or without the State of New Mexico, for the holding of additional regular meetings without other notice than such resolution.

5.6 Special Meetings. Special meetings of the board of directors may be called by or at the request of any two directors. The person or persons authorized to call special meetings of the board of directors may fix any place, either within or without the State of New Mexico, as the place for holding any special meeting of the board of directors called by them.

5.7 Notice. Notice of any special meeting shall be given at least four days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

5.8 Quorum. A majority of the number of directors shall constitute a quorum for the transaction

of business at any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

5.9 Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

5.10 Action Without a Meeting. Any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

5.11 Vacancies. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, if any. Any directorship to be filled by election by the board of directors shall continue for a term of office only until the next election of directors.

5.12 Compensation. By resolution of the board of directors, each director may be paid his expenses, if any, of attendance at each meeting of the board of directors. No such payment shall preclude any director from serving the Association in any other capacity and receiving compensation therefor.

5.13 Presumption of Assent. A director of the Association who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

5.14 Telephonic Meeting. Any one or more members of the board of directors or any committee thereof may participate in a meeting of the board of directors or such communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

ARTICLE 6. Officers

6.1 Number. The officers of the Association may include a president, one or more vice presidents (the number thereof to be determined by the board of directors), a secretary, and a treasurer, as determined and elected by the board of directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person.

6.2 Election and Term of Office. The officers of the Association to be elected by the board of directors shall be elected annually by the board of directors at their annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he, shall resign or shall have been removed in the manner hereinafter provided.

6.3 Removal. Any officer or agent may be removed by the board of directors whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

6.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

6.5 Duties of Officers.

A. The president shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds, and other written instruments; and 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 member; keep the corporate seal, if any, and affix it on all papers requiring said seal; serve notice of meetings 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 accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors; co-sign with the President or Vice-President all checks and promissory notes of the Association; keep proper books of account; cause a review of the Association books to be made by a public accountant at the completion of such fiscal year; and 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 7. Indemnity

The Association shall indemnify present or former officers and directors to the extent and by the procedure allowed by the New Mexico Nonprofit Corporation Act and it may indemnify present or

former employees and agents of the Association to the extent and by the procedure allowed by such Acts. The foregoing indemnification shall not be exclusive of other rights to which any director, officer, employee or agent may be entitled as a matter of law.

ARTICLE 8. Fiscal Year

The fiscal year of the Association shall be for such period as shall be established by the board of directors.

ARTICLE 9. Waiver of Notice

Whenever any notice is required to be given to any director of the Association under the provisions of these By-Laws or under the provisions of the articles of incorporation or under the provisions of the New Mexico Nonprofit Corporation Act, 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 10. Amendments

These By-Laws and the Articles of Incorporation may be altered, amended or repealed and new By-Laws may be adopted by the members at any regular or special meeting.

IN WITNESS WHEREOF, the undersigned, being the sole member of the Association and its Board of Directors, having unanimously adopted the foregoing Amended and Restated Bylaws, have executed these Amended and Restated Bylaws effective the 23rd day of OCTOBER 2002.

L&L Development, LLC, a New Mexico
Limited liability company

By: 

John LeMaster, Manager

By: 

Bob Lockwood, Manager

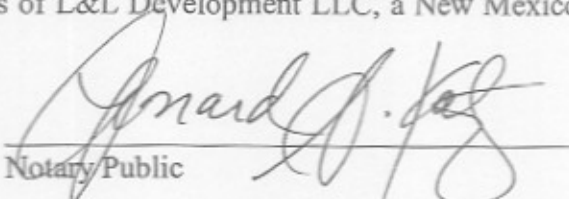
ACKNOWLEDGEMENT

STATE OF NEW MEXICO

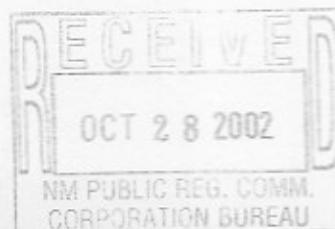
COUNTY OF SANTA FE

This instrument was acknowledged before me this 23rd day of October, 2002 by John LeMaster and Bob Lockwood as Managers of L&L Development LLC, a New Mexico limited liability company.




Notary Public

My Commission Expires:



IN WITNESS WHEREOF, the undersigned officers of the Association have hereunto set their hands and seals this 23rd day of OCTOBER, 2002.

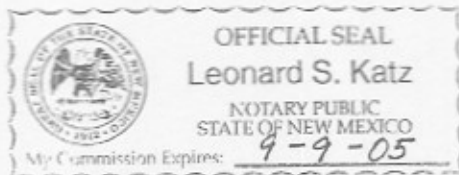
Estancias Delphine Baca Homeowners
Association, Inc.,
a New Mexico non-profit corporation

By: [Signature]
John LeMaster, President

By: [Signature]
Bob Lockwood, Secretary

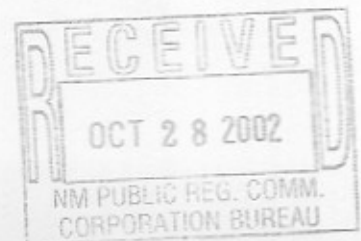
STATE OF NEW MEXICO
COUNTY OF SANTA FE

This instrument was acknowledged before me this 23rd day of October, 2002, by John LeMaster, President and Bob Lockwood, Secretary, of Estancias Delphine Baca Homeowners Association, Inc., a New Mexico non-profit corporation, on behalf of said non-profit corporation.



My Commission Expires:

[Signature]
Notary Public



2242911

EXHIBIT C

TO AMENDED AND RESTATED DECLARATION OF PROTECTIVE
COVENANTS FOR THE ESTANCIAS DELPHINE BACA SUBDIVISION

**First Amended and Restated
Bylaws
of
Estancias Delphine Baca Homeowners
Association**