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BYLAWS

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STATE CORPORATION COMMISSION
OF NEW MEXICO

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ARTICLE I

Name and Location. The name of the corporation is Las Americas Owners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 1424 Paseo de Peralta, Santa Fe, New Mexico 87501, but meetings of members and directors may be held at such places within the State of New Mexico, County of Santa Fe, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Las Americas Owners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties. Ownership of a Lot shall include membership in the Association and rights appurtenant thereto.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Qualidad, Inc., its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Las Americas Subdivision recorded in the Office of the County Clerk, Santa Fe County, New Mexico.

Section 8. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

ARTICLE III

MEMBERSHIP

Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be automatically a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE IV

PROPERTY RIGHTS: RIGHT OF ENJOYMENT

Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the common properties and facilities to his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

ARTICLE V

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held in the month of October at the hour designated by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least

fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. No business shall be transacted at any special meeting except as stated in such notice, unless by agreement of more than fifty percent (50%) of the members present entitled to vote, either in person or by proxy.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented..

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary prior to the meeting. The proxy shall set out the length of its duration.

ARTICLE VI

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Seven (7) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect three (3) directors for a term of one year, two (2) directors for a term of two (2) years and two (2) directors for a term of three (3) years; and at each annual meeting thereafter, the members shall elect directors for a term of three (3) years as terms expire, provided that nothing herein contained shall prevent the election of a director whose term has expired to a new term as such director.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association in the capacity of director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties and may be paid for other services actually rendered to the Association.

Section 5. 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.

Section 6. Indemnification.

(a) The officers and members of the Board of Directors shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the officers and directors from and against all contractual liability to others arising out of contracts made by the officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. 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 Area solely by virtue of his membership in the Association or for liabilities incurred by the Association, shall be limited to the total liability multiplied by his pro rata share of liability as defined in the Declaration. Every agreement made by the officers, the Board of Directors or the 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.

(b) The Association shall not be liable for any failure of services to be obtained by the Association or paid for as a common expense, or for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any

other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Area or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Area. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area 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.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve until the close of such annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members of their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less than quarterly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at a meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3. Quorum. A majority of the number of directors present in person or in proxy shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present in person and in proxy at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon and establish regulations affecting pets and animals, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(f) assure exterior maintenance. In the event an owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereof in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

(g) fix and determine the amount of the annual assessment, establish reserves and determine capital assessment, all within the conditions described herein and in the Declaration.

(h) collect or cause to be collected assessments as provided herein and in the Declaration. The Board of Directors may contract for such collection with a financial institution or other trustee.

(i) approve leases of any owner to any tenant to assure that tenants shall be required to comply with the rules of the Association.

(j) amend the Declaration as provided therein; to waive or modify encroachments, setbacks or other mechanical variances. Provided, however, that the power to amend aforesaid shall not authorize any amendment: (1) permitting the sale, conveyance, lease, transfer, mortgage, pledge, granting of any deed or trust, or hypothecation of the Common Areas conveyed to the Association by the Developer, (2) authorizing the alteration of the requirement that all members assent in writing to the dissolution of the Association, or (3) altering the right of each Lot owner to membership in the Association with rights appurtenant thereto.

Section 2. 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 at the annual meeting of the members, or any special meeting when such statement is requested in writing by one-fourth (1/4) of the membership;

(b) supervise all officers, agents and employees of this Association, and to 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 at least thirty (30) days in advance of the first annual assessment period and in advance of a change in subsequent assessments, as provided herein;

(2) send written notice of each assessment to every Owner subject thereto at least ten (10) days in advance of the annual assessment period; and at least ten (10) days prior to the effect of any change therein;

(3) foreclose the lien against any property for which assessments are not paid within ninety (90) days after due date or to bring an action at law against the owner personally obligated to pay the same. The lien shall be for the entire unpaid amount of the annual assessment notwithstanding that monthly payments may have been established for the convenience of the members.

(d) issue, or to cause an appropriate officer to issue, upon demand by any member, 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 (seller notifies Board);

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) cause the owners to maintain exterior of the dwellings.

(i) negotiate contracts for liability insurance on the acts of directors and officers in connection with the association's duties and activities provided, however, that the Board should not be liable for failure to obtain any coverages required by this subparagraph or by subparagraph (e) herein or for any loss or damage resulting from such failure, if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost.

(j) cause all bills of the Association to be paid from assessment funds.

ARTICLE X

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The offices 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.

Section 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.

Section 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.

Section 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.

Section 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 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, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any 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.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No persons shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of

the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments as approved by the Board and shall co-sign all promissory notes.

VICE-PRESIDENT

(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.

SECRETARY

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; 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.

TREASURER

(d) The treasurer shall receive and deposit in appropriate bank 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 or delegate such power to another person approved by the Board; keep proper books of account; cause an annual audit or review of the Association's books to be made by a public accountant at the completion of each fiscal year if the Board so directs; otherwise, cause a review of the Association's books to be made by an independent third party at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

Section 9. Indemnification. Officers of the Association shall be indemnified for any act they may perform upon behalf of the Association in the same manner herein provided for indemnification of members of the Board of Directors.

Section 10. Compensation. Officers may be employees of the Association and their compensation (if any) shall be set by the Board of Directors.

ARTICLE XI

COMMITTEES

Section 1. The President shall appoint an Architectural Control Committee, as provided in the Declaration, and a

Nominating Committee, as provided in these Bylaws. In addition, the President or Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

(a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion determines;

(b) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and

(c) An Audit Committee which shall supervise the annual audit of the Association's books if directed by the Board, and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as proved in Article X, Section (d). The treasurer shall be an Ex Officio member of the committee.

Section 2. It shall be the duty of each committee to receive requests from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such requests as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

Section 3. Indemnification. Members of the Committees shall be indemnified for any act they may perform upon behalf of the Association in the same manner herein provided for Indemnification of members of the Board of Directors.

ARTICLE XII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association or as otherwise provided, where copies may be purchased at reasonable cost or as otherwise provided.

ARTICLE XIII

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges which shall be due and paid at such time as the Board shall set in its discretion; and (2) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and may pass to his successors in title only when expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the properties and in particular for the improvement and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the properties.

Section 3. Basis and Maximum of Annual Assessments. Each lot shall be subject to an assessment fixed at the discretion of the Board as provided herein and consistent with the Declaration.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, a special assessment, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. At the meeting called, the presence at the meeting of members or proxies entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required

quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth herein, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots.

Section 6. Date of Commencement of Monthly Assessments: The monthly assessment provided for herein and in the Declaration, shall commence as to all completed Lots on the first day of the month following the conveyance creating the first membership.

Section 7. Effect of Non-Payment of Assessments: Remedies of the Association. If the monthly or other assessments are not paid within sixty (60) days of the date due, then the annual assessment shall become delinquent and shall, together with such interest thereon and costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. If the assessment is not paid within thirty (30) days after the delinquent date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 8. Exempt Property. The following property subject to the Declaration shall be exempt from the Assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use; (b) all Common Areas as defined in Article II, Section 3 hereof.

ARTICLE XIV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote or a majority of a quorum of members present in person or by proxy. Provided, however, that the power to amend aforesaid shall not authorize any amendment: (1) permitting the sale, conveyance, lease, transfer, mortgage, pledge, granting of any deed of trust, or hypothecation of the Common Areas conveyed to the Association by the Developer, (2) authorizing the alteration of the requirement that all members assent in writing to the dissolution of the Association, or (3) altering the right of each Lot owner to membership in the Association with rights appurtenant thereto.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of October and end on the 30th day of September of every year.

IN WITNESS WHEREOF, we, being all of the directors, of the LAS AMERICAS OWNERS ASSOCIATION, have hereunto set our hands this 30th day of October, 1985.

Larry Ganev

Margaret Williams

Judy Woodman

Judy Williams, Secretary

Patricia M. Kilby

Stephen J. Shultz, President

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