

**REVISED BY-LAWS OF BOSQUE ENCANTADO de C' de BACA
HOMEOWNERS ASSOCIATION, INC.
(Revised as of December, 2007)**

These revised By-Laws are made for the purpose of managing the affairs of the BOSQUE ENCANTADO de C' de BACA HOMEOWNERS ASSOCIATION, INC., a New Mexico non-profit corporation (herein the "Association"), pertaining to the BOSQUE ENCANTADO de C' de BACA SUBDIVISION (herein the "Subdivision"), and the enforcement and maintenance of the "*Consolidated Declaration of Covenants, Conditions and Restrictions for Bosque Encantado de C' de Baca Subdivision (Consolidated as of 2006)*" (herein the "Covenants"), as they may be amended from time to time, all pursuant to the Articles of Incorporation of the Association. Terms used herein shall have the meaning as defined in the Covenants.

**ARTICLES I
OFFICES**

Section 1.01: PRINCIPAL OFFICE.

The principal office for the transaction of business of the Association is hereby fixed and located at 408 B Sheriff's Posse Road, Bernalillo, NM 87004. The Board of Directors is hereby granted full power and authority to change the place of the principal office to another location within the Town of Bernalillo, New Mexico.

**ARTICLE II
MEMBERS' MEETINGS**

Section 2.01: PLACE OF MEETINGS.

All meetings of the members of the Association shall be held within the Subdivision or at such other place within the County of Sandoval, New Mexico, as designated from time to time by resolution of the Board of Directors or written consent of all Directors. If no adequate facility is available within the Subdivision, the Board may designate a meeting place outside the Subdivision but as close thereto as practicable.

Section 2.02: ANNUAL MEETINGS.

The annual meeting of the members of the Association shall be held during the first week of March of each year at the hour of 7:00 PM. At annual meetings, the members shall elect by plurality vote, subject to Section 3.03, a Board of Directors, consider reports of the affairs of the Association, and transact such other business as may properly be brought before the meeting. The date and time of the annual meeting may be changed by Resolution of the Board of Directors.

Section 2.03: NOTICE OF MEETINGS.

Notice of meetings, annual or special, shall be given in writing to members entitled to vote by the Secretary or the Assistant Secretary, or if there be no such officer, or in a case of his neglect or refusal, by any Director. Such notices shall be sent to either the members' mailing addresses or email addresses appearing on the books of the Association not less than ten (10) days before such meeting. Notification will also be posted at the main entry to the subdivision. Notice of any meeting of members shall specify the place, the day and the hour of meeting, and in case of special meeting shall state the general nature of the business to be transacted. An agenda shall be included with the Notice of the meeting, which shall include at a minimum the following items:

1. Reading of Previous Meetings Minutes;
2. Financial Report;
3. Committee Reports;
4. Member Discussion.

When a meeting is adjourned for lack of a quorum for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

Section 2.04: CONSENT TO MEMBERS' MEETINGS.

The transactions of any meeting of members, however called and noticed, shall be valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Any action which may be taken at a meeting of the members, except the approval of agreements to merge or consolidate with other corporations, may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Association.

Section 2.05: QUORUM.

Members representing twenty-five percent (25%) of the membership, present in person or by proxy, shall be a requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by law, by the Covenants, by the Articles of Incorporation, or by these By-Laws. If, however, a quorum shall not be present or represented at any meeting of the members, the members entitled to vote, present in person or by proxy, shall have power to adjourn the meeting to a date not less than five (5) or more than thirty (30) days from the

date of the adjourned meeting, until the requisite number of votes shall be present. At such adjourned meeting at which the requisite number of votes shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.06: VOTING RIGHTS.

Only members whose names stand on the records of the Association as entitled to vote on the day of any meeting of members shall be entitled to vote at such meeting, unless some other day be fixed by the Board of Directors for the determination of members of record. Every member entitled to vote shall be entitled to the votes as set out in the Covenants. The election of Directors shall be by secret written ballot.

Section 2.07: PROXIES.

Every person entitled to vote or execute consents shall have the right to do so, either in person or by an agent authorized by written proxy, and filed with the Secretary on or before the meeting date.

**ARTICLE III
DIRECTORS; MANAGEMENT**

Section 3.01: POWERS.

Subject to the limitation of the Covenants, Articles of Incorporation, the By-Laws, and the applicable laws of the State of New Mexico as to actions to be authorized or approved by the members, all corporate powers shall be exercised by or under authority of, and the business and affairs of the Association shall be controlled by, a Board of Directors.

Section 3.02: NUMBER OF DIRECTORS.

The number of Directors of the Association shall be five (5).

Section 3.03: ELECTION AND TENURE OF OFFICE.

The Board of Directors shall be grouped into two classes, the first being composed of Three (3) Directors (even year Directors) who shall serve for two years and the second being composed of Two (2) Directors (odd year Directors) who shall serve for two years, so that there will be a staggered Board of Directors. This is to ensure the smooth transition of Directors year-by-year. Their term of office shall begin immediately after election.

Section 3.04: VACANCIES.

Vacancies in the Board may be filled by a majority vote of the remaining Directors or Director, though less than a quorum, and each Director so elected shall hold office until his successor is elected, pursuant to Section 3.03, at an annual meeting of members or at a special meeting called for that purpose.

The members may elect a Director to fill any vacancy not filled by the Directors, and may do so at an annual meeting or special meeting called for that purpose.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any Director, in case of an amendment to these By-Laws increasing the number of Directors, or in case the members fail to elect the full number of authorized Directors.

If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board shall have the power to appoint a successor to take office when the resignation shall become effective.

No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his term of office.

Section 3.05: REMOVAL OF DIRECTORS.

The entire Board of Directors or any individual Director may be removed from office by a two-thirds (2/3) vote of the entire membership (either present or by proxy) at a special meeting called for that purpose.

Section 3.06: PLACE OF MEETINGS.

Meetings of the Board of Directors shall be held within the Subdivision, as designated for that purpose from time to time by resolution of the Board of Directors or written consent of all Directors. During any time that no adequate facility is available to hold such a meeting within the Subdivision, the Board may designate a meeting place outside the Subdivision, but as close thereto as practicable. Any meeting shall be valid, wherever held, if held by the written consent of all Directors, given either before or after the meeting, and filed with Secretary of the Association.

Section 3.07: ORGANIZATIONAL MEETINGS.

The organizational meeting of the Board of Directors shall be held each year immediately following the adjournment of the annual meeting of the members.

Section 3.08: OTHER MEETINGS - NOTICE.

Regular meetings of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the members and at such other times, on dates to be set from time to time by the Board of Directors. If said day shall fall upon a holiday, such meetings shall be held on the next succeeding business day. Notice of the time and place of annual, regular or special meetings of the Board of Directors shall be mailed or e-mailed or delivered to all members, or posted in at least one (1) prominent place within the Subdivision at least seventy-two hours (72) prior to such meeting, unless the meeting is of an emergency nature in which case notice to the members is not required.

Section 3.09: SPECIAL MEETINGS-NOTICES.

Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President, or if he is absent or unable or refuses to act, by any Vice-President, or by any two (2) Directors, or by written petition by fifteen percent (15%) or more of the members. Written notice of the time, place and nature of any special business to be considered by special meeting shall be given in the manner as provided for regular meetings. Notice of the meeting shall be delivered personally to the Directors or sent to each Director by e-mail or letter or by fax, charges prepaid, addressed to him at his address as it is shown on the records of the Association, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held.

Section 3.10: WAIVER OF NOTICE.

When all the Directors are present at any Directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or, if a majority of Directors are present, if those not present sign, in writing, a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which waiver shall be filed with the Secretary of the Association, the transactions thereof are as valid as if had at a meeting regularly called and noticed; provided that in no case shall a meeting be valid unless the notice of the meeting has been given as required by this Article.

Section 3.11: REMOTELY ATTENDED MEETINGS.

With the consent of all Directors, meetings may be held by telephone, e-mail, or by other communication method which allows all Directors to have communication, provided the meetings are properly noticed as required by the Article.

Section 3.12: NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned.

Section 3.13: QUORUM.

A majority of the Directors as fixed by the Articles of Incorporation or By-Laws shall be necessary to constitute a quorum for the transaction of business, and the transaction of business, and the action of a majority of the Directors present at any properly held meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a majority of the Directors present, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

Section 3.14: RIGHT OF ATTENDANCE AT MEETINGS.

All meetings of the Board of Directors and committees of the Board shall be open to all members provided that members who are not Directors may not participate in any deliberation or discussion unless authorized expressly by the vote of a majority of a quorum of the Board. The Board may, however, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, or potential litigation involving the Association, and business of a similar nature. The nature of all business to be considered at any executive session shall first be announced in the open meeting.

**ARTICLE IV
OFFICERS**

Section 4.01: OFFICERS.

The officers of the Association shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer. The Association may also have, in the discretion of the Board of Directors, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of this Article. One person may hold two (2) or more offices, however, no person may simultaneously hold the positions of President and Secretary.

Section 4.02: ELECTION.

The officers of the Association, except such officers as may be appointed in accordance with the provisions of the Section headed "Subordinate Officers, etc.," or the Section headed "Vacancies," of this Article shall be chosen annually by the Board of Directors, and each shall hold office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 4.03: SUBORDINATE OFFICERS, ETC.

The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such

duties as are provided in the By-Laws or as the Board of Directors may, from time to time, determine.

Section 4.04: REMOVAL AND RESIGNATION.

Any officer may be removed, either with or without cause, by a majority of the Directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conveyed by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Association. Any such resignation shall take effect at the date of the 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 4.05: VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Section 4.06: PRESIDENT.

The President shall be the Chief Executive Officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. He or she shall preside at all meetings of the members and at all meetings of the Board of Directors. He or she shall be a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a Association, and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

Section 4.07: VICE-PRESIDENT.

In the absence or disability of the President, the Vice-Presidents, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice-President designated by the Board of Directors, shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all restrictions upon the President. The Vice-Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors.

Section 4.08: SECRETARY.

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office of the Association or such other place as the Board of Directors may order, of all meetings of Directors and members, with the time and place of holding, whether regular or special, and if special, how

authorized, the notice thereof given, the names of those present at Directors' meetings, the number of votes present or represented at Directors' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office a register showing the names of the members and their addresses; the number of votes held by each; the number and date of any certificates issued for the same (if the Association causes certificates to be issued to evidence membership in the Association), and the number and date of cancellation of every certificate surrendered for cancellation.

Section 4.09: TREASURER.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and any monies and funds handled for the members. The books of account shall, at all reasonable times, be open to inspection by any Director. The Treasurer shall deposit monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Association as may be ordered by the Board of Directors; shall render to the President and Directors, whenever requested, an account of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

**ARTICLE V
EXECUTIVE AND OTHER COMMITTEES**

Section 5.01: EXECUTIVE AND OTHER COMMITTEES.

The Board of Directors may appoint an Executive Committee, and such other committees as may be necessary from time to time, consisting of at least two (2) Directors with such powers as it may designate consistent with the Covenants, the Articles of Incorporation, the By-Laws and of the applicable laws of the State of New Mexico. Such committees shall hold office at the pleasure of the Board.

Standing committees shall include the following:

- Architectural Control Committee
 - Responsible for enforcing the architectural restrictions as set forth in the Covenants, Conditions and Restrictions (CC&Rs) of the Association.
- Security and Infrastructure Committees
 - Responsible for the common facilities (e.g., utilities, communications facilities) and security capabilities of the Association.
- Budget Committee
 - Responsible for preparing the annual budget of the Association.
- Beautification Committee
 - Responsible for assuring compliance with the landscaping requirements of the CC&Rs, and for the common landscape and walking-path areas of the subdivision.

**ARTICLE VI
CORPORATE RECORDS AND REPORTS - INSPECTION**

Section 6.01: RECORDS.

The Association shall maintain adequate and correct accounts, books and records of its business and properties, and the business and properties of the members with which it is entrusted. All of such books, records and accounts shall be kept at its principal place of business in the State of New Mexico, as fixed by the Board of Directors from time to time.

Section 6.02: INSPECTION OF BOOKS AND RECORDS.

The membership register, books of account and minutes of members' meetings or Directors' meetings (except for the minutes of the executive sessions) and of committees of the members or Board shall be made available for inspection and copying by any member or by such member's duly appointed representative at any reasonable time at the office of the Association or at such other place within the Subdivision as the Board shall prescribe, for any purpose reasonably related to the member's interest as a member. The Board shall establish reasonable rules as to the notice to be given to the custodian of records by the members desiring to make the inspection, the hours and days of the week when inspection may be made, and the cost of reproducing copies of documents requested by a member.

Section 6.03: CERTIFICATION AND INSPECTION OF BY-LAWS

The original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the members in the manner provided by law.

Section 6.04: CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time by resolution of the Board of Directors.

Section 6.05: CONTRACT, INSTRUMENTS - HOW EXECUTED.

The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute an instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge the Association's credit, or to render the Association liable for any purpose or to any amount.

Section 6.06: ANNUAL REPORT.

The Board of Directors of the Association shall cause to be prepared and sent to the members upon request within sixty (60) days of the last day of the fiscal year, a balance sheet as of the last day of the fiscal year and operating (income) statement for Association's fiscal year. The operating statement shall include a schedule of assessments received and receivable identified by the Lot or other identification of the interest assessed and the names of the person or entity assessed.

The Board of Directors shall cause to be prepared and sent to the members upon request thirty (30) days before the beginning of each fiscal year, a tentative operating statement (budget) for that year. If, in any year, the income of the Association exceeds \$100,000.00, the Board of Directors shall employ a Certified Public Accountant to conduct an audit of the Association's fiscal transactions and shall distribute copies of the audit to the members.

**ARTICLE VII
MEMBERSHIP**

Section 7.01: MEMBERSHIP.

Each Lot Owner within the Subdivision, by virtue of such ownership and during the period of such ownership, shall be a member of the Association. The term "Lot Owner" is defined in the Covenants and shall mean as to property whose ownership gives rise to membership in this Association the person or entity holding the beneficial ownership of the fee, including a purchaser under a real estate contract of sale. It is the duty of each person who becomes a Lot Owner or who ceases to become such an owner to notify the Association, in writing, within thirty (30) days, giving the date and recording date of the instrument and addresses to which notices are to be sent. The change and transfer of memberships shall be made in a register kept at the principal office of the Association. In the case of any dispute, the Board of Directors shall decide, pursuant to the provisions of the Covenants, who is a member of this Association.

Section 7.02: VOTING RIGHTS.

Each member shall be entitled to the votes as provided in the Articles of Incorporation and these By-Laws. Every member entitled to vote at any election of Directors may cumulate his votes and give any one or more candidates a number of votes equal to the number of votes to which the member is entitled, multiplied by the number of Directors to be elected. The right to vote may not be severed or separated from any Lot, and any sale, transfer, or conveyance of the beneficial interest of the fee of any Lot to a new Lot Owner shall operate to transfer the appurtenant voting rights without the requirement of any express reference thereto. Voting may be by written proxy.

When any provision of the Covenants, Articles of Incorporation or By-Laws of this Association calls for the vote or the consent of the members in any stated percentage, the following rules apply unless the specific language of the provision provides to the contrary:

1. Each Lot owned by a member shall be entitled to only one vote, notwithstanding that the Lot may have more than one owner; therefore the Lot may not have more than one member in the Association. The owners, if there be more than one, shall decide amongst themselves who shall be the member, and shall document their decision to the Association Secretary in writing.

2. The Board of Directors may close the membership register for a period not exceeding thirty (30) days preceding any meeting, annual or special, of the members and any such meeting shall be conducted and any vote taken on the basis of the membership shown in the register at the time of closing.

Section 7.03: ASSESSMENTS.

Each member is subject to the following charges and assessments payable to the Association:

1. Maintenance assessments;
2. Compliance assessments;
3. Assessments for capital improvements; and
4. All other fees or other monies due to the Association for such member.

The Policies and Procedures for Collection of Delinquent Assessments, Fees, Charges and Costs are specified in a separate document of the same name.

Section 7.04: MAINTENANCE ASSESSMENT.

1. Within thirty (30) days prior to the commencement of each fiscal year, the Association shall estimate the costs and expenses to be incurred by the Association during the year, including a reasonable provision for contingencies and reserves for major repair and replacement, and shall subtract from such estimate an amount equal to the anticipated balance, exclusive of any reserves for contingencies and reserves for major repair and replacement in the operating fund at the start of such year. The sum of the net estimate so determined shall be assessed to all the Owners in shares - one (1) share for each Lot owned.

2. If, at any time, and from time to time during any fiscal year, the maintenance assessment proves or appears likely to prove inadequate for any reason, including nonpayment of any Lot Owner's share thereof, the Association may levy a further maintenance assessment in the amount of such actual or estimated inadequacy.

3. Maintenance assessments shall be due and payable to the Association when levied or in such installments during the year, and on such due dates as the Board shall designate.

Section 7.05: COVENANTS.

The provisions relating to the remainder of the Assessments; the qualifications of members, if any, the property, voting, and other rights and privileges of members, assessments and dues of members and the method of the collection of such assessments and dues shall be as set forth in the Covenants and any amendments to the Covenants and/or the Articles. The Covenants are incorporated herein as though fully set out and shall control in the event of any conflict with the provisions of these By-Laws.

**ARTICLE VIII
CORPORATE SEAL**

Section 8.01: CORPORATE SEAL.

The corporate seal, if any, shall be circular in form, and shall have inscribed thereon, the name of the Association, and the date of its incorporation, and the words "New Mexico".

**ARTICLE IX
AMENDMENTS TO BY-LAWS**

Section 9.01: BY MEMBERS.

New By-Laws may be adopted, or these By-Laws may be repealed or amended by the members at their annual meeting, or at any other meeting of the members called for that purpose, by a vote of members entitled to exercise a sixty-six and two thirds percent (66-2/3%) of the members, or by the written assent of such members.

Section 9.02: RECORD OF AMENDMENTS.

Whenever an amendment or new or revised By-Law is adopted, such amendment or new or revised By-Law shall be copied in the book of By-Laws with the original By-Laws, in the appropriate place. Said new or revised By-Laws shall be recorded by the Clerk of Sandoval County, New Mexico. If any By-Law is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned being all of the persons elected to act as the Board of Directors of the Association hereby assent to the foregoing Revised By-Laws, and adopt the same as the By-Laws of said Association.

Ralston W. Barnard

PRESIDENT

Date: 2/15/08

STATE OF NEW MEXICO)
) ss.
COUNTY OF Bernalillo)

This instrument was acknowledged before me on 15th, February, 2008, by Ralston W. Barnard, on behalf of said Association.

My commission expires: August 23rd, 2010 *[Signature]*

