

**BYLAWS OF  
THE PUEBLO GARDENS NEIGHBORHOOD ASSOCIATION, INC.**

1. Identity. These are the Bylaws of the Pueblo Gardens Neighborhood Association, Inc. Members of the Association shall be the record title Owners of all Lots within Pueblo Gardens, a subdivision located in Doña Ana County, New Mexico.
2. Association Meetings. Association Meetings shall be held as follows:
  - a. All Members shall be notified in writing of the time and place of any Association Meeting, said notice to be sent to Members not less than fifteen days and not more than thirty days prior to the meeting.
  - b. The Inaugural Association Meeting shall be held within thirty days of the completion of ~~the County's first anniversary warranty inspection of Subdivision improvements or at such time as CF Investments, LLC, the Declarant,~~ <sup>document and</sup> shall ~~decide to~~ call the Inaugural Association Meeting, ~~whichever is earlier~~.
  - c. The Annual Association Meeting shall be held on the second Wednesday in November of each year or on such date as the Association's Board of Directors may decide, for the purpose of electing Directors and transacting any business authorized by the Members.
  - d. A Special Association Meeting shall be held whenever called by the President of the Board of Directors or a majority of the Board of Directors, or whenever requested in writing by a total of one-third of the Members.
  - e. A quorum shall consist of one-third of the total number of Members. For purposes of considering whether or not a quorum is present, a Member shall be counted only once for each Lot that a Member owns. If an Association Meeting cannot be held because a quorum has not attended, the Members who are present shall adjourn the meeting for at least fifteen days, whereupon notice of the new date shall be given pursuant to Subparagraph 2 (a) above. A quorum at the subsequent Association Meeting shall consist of one-fifth of the total number of Members.

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f. If a Lot is owned by one person, the right of that person to vote at an Association Meeting shall be established by the record title to the Lot. If a Lot is owned by more than one person, or is under lease, the person entitled to cast the vote of that Lot shall be designated by a certificate of appointment signed by all of the record Owners of that Lot and filed with the Secretary of the Board of Directors. If a Lot is owned by a corporation, the person entitled to cast the vote of that Lot shall be designated by a certificate of appointment signed by the president of that corporation. Such certificates shall be valid until revoked, or until superseded by a subsequent certificate, or until a change in the record ownership of the Lot.

g. Votes may be cast in person or by proxy. Votes by proxy shall be recognized only when the proxy is signed by the record Owner or by the person designated by a certificate of appointment.

3. Voting. The Association shall have one class of membership. All Members holding an interest in any one Lot shall collectively be entitled to one vote for each Lot. The vote for each Lot shall be exercised by the Owners thereof as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

4. Directors. The business of the Association shall be managed by a Board of Directors as follows:

a. Except as noted below, the Board shall consist of not less than three and not more than five Directors elected by and from among the Members. The exact number (which shall be an odd number) shall be determined by the Members at the time of the election of the Directors. ~~The foregoing notwithstanding, the initial Board of Directors, until the Inaugural Association Meeting is held, shall consist of G. Thomas Collins, Jr., Carol J. Collins, and John T. Moseate.~~ — 3(?)

b. Election of Directors shall be conducted at the Inaugural Association Meeting and at each Annual Association Meeting. Nominations for Directors shall be made from the floor. The election shall be by ballot and by a plurality of votes cast, each Member voting being entitled to cast his vote for each of as many nominees as there are vacancies to be filled.

c. Any Director may be removed by concurrence of two-thirds of the votes of all of the Members at a Special Association Meeting called for that purpose. The vacancy in the Board so created shall be filled by the Members at the same meeting.

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d. Except as to vacancies created by removal of Directors by the Members, vacancies in the Board occurring between Annual Association Meetings shall be filled by the remaining Directors.

e. Each Director shall be elected for a term of two years, except that the Board elected at the Inaugural Association Meeting shall contain two Directors whose terms shall expire in one year.

5. Directors' Meetings. The Directors shall hold meetings as follows:

a. Regular Meetings of the Board of Directors may be scheduled as shall be determined, from time to time, by a majority of Directors. Notice of Regular Meetings shall be given to each Director, in a manner to be determined by the Board, at least three days prior to the date named for such a meeting.

b. Special Meetings of the Board of Directors may be called by the President or, through the Secretary, at the request of any Director. Notice of Special Meetings shall be given to each Director, in a manner to be determined by the Board, at least three days prior to the date named for such a meeting.

c. Any Director may waive notice of a meeting, and such waiver shall be deemed equivalent to the giving of notice.

d. A quorum at a Directors' Meeting shall consist of a majority of the entire Board of Directors. If at any meeting less than a quorum is present, those Directors present may adjourn from time to time until a quorum is present. The acts approved by a majority of those present at a meeting for which there is a quorum shall constitute the acts of the Board of Directors.

6. Powers and Duties of the Board of Directors. All of the powers and duties of the Pueblo Gardens Neighborhood Association that exist under the Declaration of Protective Covenants, Conditions, and Restrictions of the Pueblo Gardens Subdivision shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by the Members when such approval is specifically required. ✓

7. Officers. The officers of the Association and the Board of Directors shall be as follows:

a. The President, who shall be the chief executive officer of the Association and of the Board of Directors, and who shall have all of the powers and duties that are normally vested in the office of President, including, but not limited to, the power to appoint committees from among the Members from time to time;

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b. The Secretary, who shall be the recording officer of the Association and of the Board of Directors, who shall attend to all necessary notices, who shall keep the records of the Association and of the Board of Directors, and who shall exercise the powers of the President in the absence of the President; and

c. The Treasurer, who shall be the financial officer of the Association and of the Board of Directors, who shall be in charge of the funds and expenditures of the Association, who shall keep the financial books of the Association in good order, and who shall perform all other duties related to the officer of Treasurer.

d. Officers and Directors shall receive no compensation for the performance of their duties.

8. Accounting. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

a. "Current Expenses," which shall include all funds and expenditures to be made within the fiscal year for which the funds are budgeted, including a reasonable allowance for contingencies. (The Association's fiscal year shall be the calendar year, with the exception of the first fiscal year, which shall begin on the date of the Inaugural Association Meeting and end on December 31st of that year.) The balance in this fund at the end of each fiscal year shall be applied to reduce the Assessments for current expenses for the succeeding year.

b. "Reserve for Deferred Maintenance and Replacement," which shall include funds for maintenance items that occur less frequently than annually, and funds for repair or replacement required because of damage, depreciation, or obsolescence.

c. "Capital Improvements," which shall include the funds to be used for capital expenditures for additional improvements.

9. Expenditures. The expenditure of funds shall be determined as follows:

a. Budgets. The Board of Directors shall adopt a budget for each fiscal year that shall include the proposed Assessments required to defray all of the expenses and costs of the accounts contained in Paragraph 8 above. Copies of the budget and proposed Assessments shall be transmitted to each Member prior to the Annual Association Meeting. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each Member within fifteen days of its adoption by the Board.

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b. Limitations. No expenditure for any capital addition or improvement having a total cost in excess of \$3,000.00 shall be made without the prior approval of the Members at an Association Meeting called for that purpose.

10. Assessments. Assessments shall be made as follows:

a. Annual Assessments against each Member for each Member's contribution to the budget shall begin during the calendar year in which the ~~County completes its first anniversary warranty inspection of Subdivision improvements~~ <sup>Association is established.</sup> <sup>The assessment</sup> ~~improvements~~, shall be initially set at a minimum of \$150.00 and a maximum of \$350.00, and shall be set by the Board of Directors on or before December 1st for the subsequent calendar year, except for the first year or portion thereof, for which the assessment shall be set within thirty days ~~of completion of the County's first anniversary warranty inspection of Subdivision improvements~~. Each voting Member's liability for the assessment shall commence upon the date of the Member's closing on the purchase of a Lot in the Subdivision and shall be prorated for the initial year of ownership, ~~but no liability shall accrue until the date of completion of the County's first anniversary warranty inspection of Subdivision improvements~~. The assessment shall be due and payable in full on December 31<sup>st</sup> for the subsequent year, or, in the case of a prorated assessment, within thirty days of the billing of the assessment. If the Board of Directors increases the assessment during the fiscal year because of a lack of funds to meet expenses, such additional Special Assessment shall be due and payable in full within thirty days of the billing of the Special Assessment. From and after January 1, 2008, the minimum or maximum annual assessment may be decreased or increased by up to twenty percent annually by the assent of two-thirds of the voting Members who are voting in person or by proxy at an Association Meeting.

b. A Member who owns more than one Lot shall be assessed by a multiple equal to the number of Lots owned by that Member.

c. If a Member is in default in the payment of an Annual Assessment or a Special Assessment, the Board of Directors may, not less than fifteen days after the mailing of a notice to the Member by certified mail, declare such Member in default and take whatever measures it deems appropriate to collect the assessment.

d. All Assessments or additional Assessments shall be deposited by the Treasurer into an account or accounts at a bank to be designated from time to time by the Board of Directors. Withdrawal of funds from such

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accounts shall be made only by checks signed by two persons so authorized from time to time by the Board of Directors.

11. Board of Directors Not Liable. The Board of Directors, both as a group and individually, shall not be liable for damages to any Owner of land within the Pueblo Gardens Subdivision by reason of any action or failure to act. Any party acquiring title to any property in the Pueblo Gardens Subdivision does agree and covenant that he will not bring any action or suit to recover damages against the Board of Directors, its members as individuals, or its advisors, employees, or agents.

12. Amendments. These Bylaws may be amended in the following manner:

a. Notice of the subject matter of a proposed amendment shall be included in the notice of any Association Meeting at which a proposed amendment is to be considered.

b. A resolution to adopt a proposed amendment may be made by any voting Member. An amendment shall be adopted only if approved by a majority of voting Members at an Association Meeting.

c. No amendment shall discriminate against any Member. No amendment shall limit the Association's responsibility to maintain and repair the Common Areas as indicated in the Declaration of Protective Covenants, Conditions, and Restrictions of the Pueblo Gardens Subdivision. No amendment shall limit the Board of Directors' authority to set the Annual Assessments or Special Assessments in a way that materially obstructs the maintenance and repair of the Common Areas. No amendment shall affect the provision in Paragraph 11 above concerning the absence of liability for the Board of Directors.

d. A copy of each amendment that is approved by the voting Members shall be certified by the President and Secretary as having been duly adopted and shall be in full force and effect only when recorded in the office of the County Clerk of Doña Ana County, New Mexico.

The foregoing provisions are adopted as the Bylaws of the Pueblo Gardens Neighborhood Association, Inc. by the undersigned sole Owner of the property in the Pueblo Gardens Subdivision and shall be attached to and recorded with the Declaration of Protective Covenants, Conditions, and Restrictions of the Pueblo Gardens Subdivision.

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