

BYLAWS
of
MONTE VISTA HOMEOWNERS' ASSOCIATION, INC.
a New Mexico Non-Profit Corporation

ARTICLE I

OFFICES

This Corporation is hereinafter referred to as the "Association." The Board of Directors shall fix the location of the principal executive office of the Association at any place within or outside the State of New Mexico. If the principal executive office is located outside this state, and the Association has one or more business office(s) in this state, the Board of Directors shall fix and designate a principal business office in New Mexico.

ARTICLE II

MEMBERS

Section 1. Members.

The Association shall have three members, each of whom shall be the owner of one of the Condominium Units as specified in the Condominium Declaration For MONTE VISTA Condominiums dated _____, 2006 ("Declaration"). "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit 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. The business and affairs of the Association shall be governed by its Board of Directors.

Section 2. Annual Meetings.

There shall be a meeting of the Owners on the second Wednesday of January each year, at 10.00 a.m., at the principal office of the Association, or at such other reasonable place or time (not more than sixty (60) days before or after such date) as may be designated by written notice of the Board of Directors delivered to the Owners not less than ten (10) days prior to the date fixed for said meeting. At the annual meeting, the Board of Directors shall present a report of the common expenses, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each Owner, and the estimated common expenses for the coming calendar year. Within ten (10) days after the annual meeting, said statement shall be delivered to the Owners not present at said meeting.

Section 3. Special Meetings.

Special meetings of the Owners may be called at any time for the purpose of considering matters which require the approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by the President or by the Owners having one-third (1\3) of the total votes, and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date, time, and place of the meeting, and the matters to be considered thereat.

Section 4. Notices.

Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Association for the purpose of service of such notice or to the Unit of such person if no address has been given. Such address may be changed from time to time by notice in writing to the Association.

Section 5. Quorum.

The quorum requirements for any meeting shall be two Owners.

Section 6. Proxies.

At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his Unit.

ARTICLE III

DIRECTORS

Section 1. Powers.

Subject to the New Mexico Corporations Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the Directors, the business and affairs of the Association shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Without prejudice to such general powers, and subject to the same limitations, the Board shall have the power to:

- (a) Select and remove all officers, agents and employees of the Association; prescribe any powers and duties for them that are consistent with law, the Articles of Incorporation, and with these Bylaws; fix their compensation; and require from them security for faithful service.
- (b) Conduct, manage, and control the affairs and business of the Association.
- (c) Adopt, make and use a corporate seal or dispense with a seal.
- (d) Borrow money and incur indebtedness on behalf of the Association, and cause to be executed and delivered for the Association's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 2. Number and Qualification of Directors.

The authorized number of Directors shall be two (2) until changed by amendment to the Articles or by a Bylaw duly adopted by the Board of Directors.

Section 3. Election and Term of Office.

Directors shall be elected at each annual meeting of the shareholders, but if any such annual meeting is not held or the Directors are not elected at an annual meeting, the Directors may be elected at any special meeting of shareholders held for that purpose. Each Director shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. Vacancies.

Vacancies in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased.

Any Director may resign effective upon giving written notice to the Chair of the Board, the President, the Secretary, or Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 5. Place of Meetings and Meetings by Telephone

Regular and special meetings of the Board of Directors may be held at any place within or without the State of New Mexico which has been designated from time to time by the Board or by the person calling the meeting. In the absence of such designation, meetings shall be held at the principal executive office of the Association. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all Directors participating in the meeting can hear one another.

Section 6. Annual Meeting.

The Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business at least once per year, at a time fixed by the Board of Directors.

Section 7. Other Regular Meetings.

Other regular meetings of the Board of Directors shall be held without call at such time as shall from time to time be fixed by the Board of Directors. Such regular meetings, if the time thereof has been so fixed, may be held without notice.

Section 8. Special Meetings.

Special meetings of the Board for any purpose or purposes may be called at any time by the Board, the President, the Secretary or any two Directors. Special meetings shall be held upon three days' written notice (72 hours' notice) given personally or by telephone, telegraph, telex, facsimile, or other similar means, addressed or delivered to each Director as appears on the records of the Association or as may have been designated by the Directors for purposes of notice.

Section 9. Quorum.

Any majority of the authorized number of Directors constitutes a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as an act of the Board.

Section 10. Waiver of Notice.

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though a meeting had been duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the Corporate records or made part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement, the lack of notice to the Director.

Section 11. Adjournment.

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 12. Notice of Adjournment.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 8 of this Article III to the Directors who were not present at the time of the adjournment.

Section 13. Action Without Meeting.

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors and shall be filed with the minutes.

Section 14. Committees.

The Board may designate one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. The Board may delegate to such committees any of the authority of the Board, except with respect to:

1. The filing of vacancies on the Board or on any committee;
2. The fixing of compensation of the Directors for serving on the Board or any committee;
3. The amendment or repeal of bylaws or adoption of new bylaws;
4. The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

5. The appointment of any other committees of the Board or the members thereof.

ARTICLE IV

OFFICERS

Section 1. Officers.

The Officers of the Association shall be a President, a Secretary and a Chief Financial Officer. The Association may also have, at the discretion of the Board of Directors, a Chair of the Board, one or more 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 Section 3 of this Article. Any number of offices may be held by the same person, except that the same person shall not simultaneously hold the offices of President and Secretary.

Section 2. Election of Officers.

The Officers of the Association, except such Officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article, shall be chosen by the Board of Directors, and shall serve at the pleasure of the Board, subject to the rights, if any, of an Officer under any contract of employment.

Section 3. Subordinate Officers.

The Board may appoint, and may empower the President to 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 bylaws or as the Board may from time to time determine.

Section 4. Removal and Resignation of Officers.

Without prejudice to the rights, if any, under contract of employment, any Officer may be removed, either with or without cause, by the Board of Directors or, except in case of an Officer chosen by the Board of Directors, by any Officer upon whom such power of removal may be conferred by the Board.

Any Officer may resign at any time by giving written notice to the Association. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in that notice; and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the Officer is a party.

Section 5. Vacancies in Offices.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office.

Section 6. Chair of the Board.

The Chair of the Board, if such an Officer be elected, shall, if present, preside at meetings of the Board and exercise and perform such powers and duties as may from time to time be assigned to him or her by the Board. If there is no President, the Chair of the Board shall in addition be the Chief Executive Officer of the Association and shall have the powers and duties prescribed in Section 7 of this Article.

Section 7. President.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chair of the Board, if there be such an Officer, the President is the General Manager and Chief Executive Officer of the Association and, subject to the control of the business and the Officers of the Association. He or she shall preside at all meetings of the shareholders and, in the absence of the Chair of the Board, or if there be none, at all meetings of the Board. He or she 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.

Section 8. Vice Presidents.

In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board or, if not ranked, the Vice President designated by the Board, shall perform all the duties of the President, and when so acting shall have all powers of, and be subject to all the restrictions upon the President. The Vice President 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 9. Secretary.

The Secretary shall keep and cause to be kept at the principal executive office and at such other place as the Board may direct, a copy of the bylaws and book of minutes of

all meetings of Directors, and committees of Directors. Minutes of meetings shall reflect the time and place of holding, whether regular or special, (and, if special, how authorized), the notice given, the names of those present, and a description of all proceedings.

The Secretary shall give, or cause to be given, notice of all meetings of the Board required by the bylaws or by law to be given, and the Secretary shall keep such other records and perform such other duties as may be prescribed by the Board of Directors.

Section 10. Chief Financial Officer.

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Association, and shall send or cause to be sent to the Directors such financial statements as are required by laws or these bylaws.

The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designed by the Board, shall render to the President and Directors, whenever they request it, and shall account for all transactions as Chief Financial Officer and of the financial condition of the Association, and shall have such other powers and shall perform such other duties as may be prescribed by the Board of Directors.

The Chief Financial Officer shall, unless otherwise designated by the Board, be the Treasurer of the Association as well.

ARTICLE V

**INDEMNIFICATION OF DIRECTORS, OFFICERS,
EMPLOYEES AND OTHER AGENTS**

The Association shall have the power, to the maximum extent permitted by New Mexico Corporation Law, to indemnify each of its agents against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the Association. For purposes of this Section, an "agent" of the Association includes any person who is or was a Director, Officer, employee, or other agent of the Association, or is or was serving at the request of another corporation, partnership, joint venture, trust, or other enterprises, or was a director, officer employee, or agent of a corporation which was a predecessor corporation.

ARTICLE VI

RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Other Corporate Records.

The accounting books and records and minutes of the proceedings of the Board of directors and any committee or committees of the Board shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal executive office of the Association. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any member of the Board of Directors. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts.

Section 2. Inspection by Directors.

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Association. This inspection by a Director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

ARTICLE VII

GENERAL CORPORATE MATTERS

Section 1. Checks, Drafts, Evidences of Indebtedness.

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, from time to time, shall be determined by the Board of Directors.

Section 2. Corporate Contracts and Instruments: How Executed.

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and this authority may be general or confined to specific instances; and, unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any

power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purposes or for any account.

Section 3. Representation of Shares or Other Corporations.

The Chair of the Board, the President, or Vice President, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the Association any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the Association. The authority granted to these officers to vote or represent on behalf of the Association any and all shares held by the Association in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy executed by these officers.


Section 4. Construction and Definitions.

Reference in these Bylaws to the “New Mexico Corporations Law” shall mean the New Mexico Non-Profit Corporation Act, 53-8-1 et seq., NMSA 1978, and where appropriate, the New Mexico Business Corporation Act, 53-11-1, et seq., NMSA 1978. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the New Mexico Non-Profit Corporation Act and the New Mexico Business Corporation Act, shall govern the construction of these Bylaws. Without limiting the generality of this provision, the term “person” includes both a corporation and a natural person.

ARTICLE VIII

AMENDMENTS

These Bylaws, including a bylaw or an amendment of a bylaw changing the authorized number of Directors, may be adopted, amended, or repealed by the Board of Directors.



RORY KENWARD
President



KAREN KENWARD
Vice President

CERTIFICATE OF SECRETARY

I, the undersigned do hereby certify:

1. That I am the duly elected and acting secretary of MONTE VISTA HOMEOWNERS' ASSOCIATION, INC., incorporated under the laws of the State of New Mexico; and
2. That the foregoing Bylaws, comprising eleven (11) pages, including this page, constitute the original Bylaws of said Association as duly adopted by action of the Board of Directors of the Association duly taken on this ____ day of _____, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name on _____, 2006.

RORY KENWARD, Secretary