

**FIFTH AMENDED BYLAWS
OF
THE RIDGES LANDOWNERS' ASSOCIATION, INC.**

**ARTICLE I
NAME**

The name of the corporation is "The Ridges Landowners' Association, Inc."

**ARTICLE II
DEFINITIONS**

Section 1. "Association" means The Ridges Landowners' Association, Inc., its successors and assigns.

Section 2. "Properties" means 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" means all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" means 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" means 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. "Declaration" means the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Clerk, Santa Fe County, New Mexico.

Section 7. "Member" means every person or entity who holds a membership in the Association.

**ARTICLE III
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 or her rights of enjoyment of the common properties and facilities to his or her tenants or contract purchasers, who reside on the property. Such Member shall notify the Secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

ARTICLE V
MEETINGS OF MEMBERS

Section 1. Voting Rights. The Association shall have one class of voting membership which shall consist of all Owners (excluding developer, Ron Sebesta Realty Retirement Plan) and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 2. Annual Meetings. The annual meeting of the Members shall be held during the month of October, on such date and at such time and place as the Board of Directors shall designate.

Section 3. 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-tenth (1/10) of all the votes of the Association.

Section 4. 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 10 days, but not more than 60 days, before such meeting to each Member entitled to vote, 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.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast ten percent (10%) 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 at the meeting shall have 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 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing. Such proxy may be granted by any Owner in favor of only another Owner, or the Owner's mortgagee. Proxies shall be duly executed in writing, shall be valid only for the particular meeting designated therein and must be filed with the Secretary

before the appointed time of the meeting. Such proxy shall be deemed revoked upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Lot. No proxy shall in any event be valid for a period in excess of one hundred eighty (180) days after the execution thereof.

Section 7. Notwithstanding any other provision herein and in lieu of a vote taken at a meeting of the Members, a vote of the Members may be taken by mail ballot requiring a quorum of 10 percent (10%) of the votes of the membership, returning ballots within 28 days of the mailing to the Members. A simple majority of the votes cast shall prevail.

ARTICLE VI BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be Members of the Association.

Section 2. Term of Office. Directors shall hold office for a term of one (1) year or until their successors are elected and qualified. Directors may not serve more than three (3) consecutive terms. The number of Directors may be changed from time to time by amendment of these Bylaws.

Section 3. Removal. Any Director may be removed from the Board, for cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for his or her activities as a Director. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

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. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except in the event of willful misconduct or malfeasance. The Association shall indemnify and hold harmless each of the members of the Board of Directors against all liabilities to others arising out of actions of the Director performed in good faith on behalf of the Association or its Members, or in connection with any acts performed pursuant to the Declaration of Covenants hereinbefore referred to unless the Director is adjudged guilty of willful misconduct or malfeasance in the performance of his or her duties as Director.

**ARTICLE VII
NOMINATION AND ELECTION**

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 or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least one month prior to each annual meeting of the Members, to serve until the close of the annual meeting, and the 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. Notwithstanding anything to the contrary stated herein, nominations may be made from the floor at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or 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 quarterly.

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 seven (7) days' notice to each Director.

Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her 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 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 at a duly held meeting at which the 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 all powers provided by New Mexico Non Profit Corporation Act, and also shall have 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;

(b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such 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;

(e) prepare a detailed line item budget on at least an annual basis for submission to and approval by the membership at either the annual meeting or at any special meeting specifically called for budget approval, or by ballot specifically written for budget approval mailed to the membership pursuant to Article V, Section 7. The Board has authority to operate the affairs of the Association within the limits of the budget approved by a simple majority vote of members present at a meeting at which a quorum is present or by response to a mail ballot, under the terms of Article V, Section 7. The Board does not have the authority to **exceed the** total expenditures approved nor to exceed the subtotal in any of the broad budget categories by more than 10 percent (10%), without the submission of a revised budget for adoption by the Members present at a special meeting of the membership called specifically for that purpose, at which a quorum is present, or by a specifically written mail ballot pursuant to Article V, Section 7;

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

(g) assure exterior maintenance. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by a majority 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;

(h) fix and determine the amount of the annual assessment, establish reserves and determine capital assessments, all within the conditions described herein and in the Declaration, and as provided for and approved by the budget process stated in Article IX, Section 1(e);

(i) collect or cause to be collected assessments as provided herein and in the Declaration;

(j) to waive encroachments, and to grant permission for encroachment into setbacks and other variances from the strict enforcement of the Declaration.

(k) state that the clause in the Declaration against Nuisances (7.13) shall be interpreted to include a ban on all fireworks or any other activity which may create a fire hazard.

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, or at any special meeting when such statement is requested in writing by one-tenth (1/10) of the Members who are entitled to vote;

(b) to perform all duties required by law, and 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, and as provided for and approved by the budget process stated in Article IX, Section 1(e);

(2) send written notice of each assessment to every Owner subject thereto at least twenty (20) days in advance of the assessment period; and at least twenty (20) days prior to the effective date of any change therein;

(3) foreclose the lien against any property for which assessments are not paid within sixty (60) 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, together with interest, notwithstanding that periodic 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;

(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 and facilities to be maintained and secure;

(h) cause the exterior of the dwellings to be maintained to comply with the Declaration;

(i) negotiate contracts for master insurance policies for the Common Areas as needed, and provide, in its discretion, liability insurance on the acts of Directors and officers in connection with the Association's duties and activities, as provided and approved by the budget process stated in Article IX, Section 1(e); and

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

ARTICLE X OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of this Association shall be a President who shall at all times be a member of the Board of Directors, a Secretary, and a Treasurer, and such other officers, including one or more Vice-Presidents, 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 or until his or her successor is elected and qualified unless he or she shall sooner resign, or shall be removed, or otherwise shall be disqualified. The president may not serve for more than two (2) consecutive terms.

Section 4. Special Officers. 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 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 office he or she replaces.

Section 7. Duties. The duties of the officers are as follows:

(a) President. 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 and shall co-sign all promissory notes.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and shall perform all other duties as required by the Board.

(c) Secretary. 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.

(d) Treasurer. 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 prepare all checks and promissory notes of the Association; keep proper books of account; cause an annual review of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members; and shall perform such other duties which the Board requires.

Section 8. Indemnification. Officers of the Association shall be indemnified for any act they may perform on behalf of the Association in the same manner herein provided for indemnification of members of the Board of Directors.

Section 9. 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. Architectural Control Committee ("ACC"). The Board annually shall appoint an Architectural Control Committee.

(a) Chairman. The chairman of the ACC shall be elected by the Board and shall hold office for three (3) years or until his or her successor is elected and qualified unless he or she shall sooner resign or shall be removed, or otherwise shall be disqualified. The chairman may not serve for more than two (2) consecutive three-year terms. The chairman may be removed from office by the Board. If the chairman resigns or is removed, then a new chairman shall be elected by the Board as soon as possible. The President of the Association may serve as interim ACC chairman until a new chairman is elected and qualified.

(b) Members. The Committee shall consist of six (6) members including the chairman. Upon his or her election and in January of each successive year, the chairman shall nominate five (5) members to serve on the Committee; the nominees must be approved by the Board. Each member of the Committee shall be approved annually and shall serve for one (1) year or until his or her successor is elected and qualified unless he or she shall sooner resign or shall be removed or otherwise shall be disqualified. No more than one individual from any household may serve on the Committee at any time. The Board may appoint alternate members to the Committee if needed. Four members shall constitute a quorum for conducting Committee business. In cases where a quorum may not be present for a regularly scheduled meeting, the chairman may request any member of the Board of the Association to serve as a temporary member for that meeting. With approval from the Board of the Association, the chairman may remove members for non-attendance or other cause.

(c) Duties. Only the chairman shall contact landowners concerning Committee business. However, the chairman may delegate the authority to specific Committee members to perform the following tasks:

1. Visitation of a construction site, lot or residence in an official Committee capacity;
2. Correspondence or other contact with a landowner;
3. Publication or delivery of a notice;
4. Correspondence or other contact with county or state officials regarding The Ridges

The Committee will review all plans and specifications submitted with respect to improvements proposed to be constructed on or about any of the Properties or Lots to determine if the improvements comply with the Declaration. The Committee shall approve plans and specifications upon the favorable vote of no less than four (4) of its members, out of a maximum of six (6) votes cast; only Committee members or official alternates are entitled to vote. The chairman has the responsibility of setting the agenda for all Committee meetings. If the chairman disagrees with any majority vote of the Committee, he or she is authorized to refer the matter to the Board of the Association for final decision. The Committee may review plans or construction at regular meetings or through any reasonable method specified from time to time by its chairman. No member may vote with respect to any plans for improvements to be constructed on any Lot in which s/he or any family member or related entity has any interest. The Committee will require for its review two sets of plans and specifications for each project, which shall include a site plan, specification of height of construction, floor plan, elevations, specification of exterior material and color, trim materials and color, and such other information as the Committee or its chairman may require, whether generally or in the case of a specific project. If the Committee approves a project, it will note "approved" on one set of plans to be returned to the submitter, and will retain the other set of plans in a permanent file.

Section 2. The Board annually shall appoint a nominating committee, and may appoint a waste management committee and a maintenance committee. In addition, the President or Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as an audit committee which shall supervise the annual review of the Association's books and prepare the statement of income and expenditures to be presented to the membership at its regular annual meeting, and a budget committee, which shall assist in the preparation of the annual budget. The Treasurer shall be an *ex officio* member of any budget committee.

Section 3. 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 4. Indemnification. Members of the committees shall be indemnified for any act they may perform on 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 upon reasonable notice to the Association, and upon such reasonable conditions as the Board of Directors may impose.

**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 *pro rata* as determined by the Board, 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.

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 and roads, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area. All assessments must be within the limits established by the approved budget.

Section 3. Annual Assessments. Each Lot shall be subject to annual assessments for the purposes aforesaid, payable at such times and in such amounts as the Board may determine, within the limits of the approved budget.

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 a simple majority of Members who are voting in person or by proxy at a meeting duly called for this purpose, pursuant to Article V, Section 4, or by responses to a specifically written mail ballot, under the terms of Article V, Section 7.

Section 5. Uniform Rates; Exceptions. Both annual and special assessments shall be fixed at a uniform rate for all Lots.

Section 6. Quorum for any Action Authorized Under Section 4. At the meeting called, as provided in Section 4 hereof, the presence at the meeting of Members or of proxies entitled to cast twenty-five percent (25%) 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 requirement set forth in Section 4, 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 7. Effect of Nonpayment of Assessments; Remedies of the Association. If any assessment is not paid within sixty (60) days of the date due, then the assessment shall become delinquent and shall, together with such interest thereon and cost of collections thereof as hereinafter provided, thereupon become a continuing lien on the property in the hands of the then Owner, his or her heirs, devisees, personal representatives and assigns. 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. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 9. Voluntary Supplemental Assessments. Fewer than all Lot Owners may agree to supplemental assessments for designated special and limited purposes on a voluntary basis, subject to such terms and conditions as may be agreed upon by participants.

ARTICLE XIV AMENDMENTS

Section 1. These Bylaws may be amended (i) by unanimous action of the Board of Directors, or (ii) at a regular or special meeting of the Members, by a vote of 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 eighty percent (80%) of 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 January and end on the thirty-first day of December of every year.

IN WITNESS WHEREOF, the undersigned Secretary and President of the Association set their hands as of the ____ day of April, 2006.

Judith Whiteley, President

Tina Lanman, Secretary