

RESTATED BY-LAWS OF
PAA-KO COMMUNITIES HOMEOWNERS' ASSOCIATION

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RESTATED BY-LAWS OF
PAA-KO COMMUNITIES
HOMEOWNERS' ASSOCIATION

Preamble. This is a Non-Profit Corporation organized and operated under the applicable laws of the State of New Mexico and the New Mexico Non-Profit Corporation Act.

ARTICLE I: OFFICES

Section 1. Principle Office

The principle office of the corporation in the State of New Mexico shall be located as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

Section 2. Registered Office and Registered Agent

The Corporation shall have and continuously maintain in the State of New Mexico a registered office, and a registered agent, as required by law. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II: DEFINITIONS

Section 1. Association

The term "Association" shall have the same meaning as set forth in the Declaration.

Section 2. Common Facilities

The term "Common Facilities" shall have the same meaning as defined in the Declaration.

Section 3. Common Properties

The Term "Common Properties" shall have the same meaning as defined in the Declaration.

Section 4. Declarant

The term "Declarant" shall have the same meaning as set forth in the Declaration.

Section 5. Declaration

The term Declaration shall mean and refer to:
Canyon Ridge Estates, Phase I, Comprehensive Declaration of Covenants, Conditions and Restrictions recorded on September 2, 1993, as Document No. 93097220 in Book 93-24, page 4124, and re-recorded on March 3, 1994, with three additional pages, as document no. 94029519 in Book 94-7, page 7576 in the Office of the Bernalillo County Clerk, as amended and supplemented (hereinafter ("1994 Declaration"))

AND

Paa-Ko Village, Units 3-14 Comprehensive Declaration of Covenants, Conditions, & Restrictions recorded August 2, 1999, in the Office of the Bernalillo County Clerk, as Document No. 1999100539, as amended and supplemented (hereinafter "1999 Declaration")

(collectively referred to as "Declarations").

Section 6. Lot

The term "Lot" shall have the same meaning as set forth in the Declaration.

Section 7. Member

The term "Member" shall have the same meaning as set forth in the Declaration.

Section 8. Owner

The term "Owner" shall have the same meaning as set forth in the declaration.

Section 9. Properties

The term "Properties" shall have the same meaning as set forth in the Declaration.

ARTICLE III: MEMBERSHIP

Section 1. Membership and Qualifications for Good Standing

Pursuant to Section 7.1 of the Declarations, the Association has been charged with the duties and invested with the powers prescribed by law and set forth in the Articles of Incorporation, Restated Bylaws, the Declarations, and the Rules and Regulations (hereinafter "Community Documents"). The Restated By-laws of the Association, including these Amendments, shall pertain to the lots subject to the Declarations.

In addition to those qualifications set forth in Article 7 of the Declarations and in the Articles of Incorporation of the Association, the qualifications for being a member in good standing shall be as follows:

a) Full payment of any and all assessments levied by the Association against the member's lot;

b) Full compliance with the Declarations pertaining to said member's lot and any rules and regulations promulgated by the Association.

Section 2. Voting

a) The right to vote shall be as stated in Article 7 of the Declarations to which the member's lot is subject. In addition, only members in good standing shall have the right to vote.

b) The Association shall provide for votes to be cast in person, by absentee ballot or by proxy and may provide for voting by some other form of delivery.

c) Vote by proxy is allowed for lot owner meetings. The proxy vote shall:

1) be dated and executed by a lot owner, but if a lot is owned by more than one person, each owner of the lot may vote or register protest to the casting of votes by the other owners of the lot through a duly executed proxy, but in no case shall the total vote cast be more than the one vote allocated to the lot under its respective Declaration;

2) allow for revocation if notice of revocation is provided to the person presiding over a lot owner meeting; and

3) be valid for only the meeting at which it is cast.

d) If proxy voting is utilized at a lot owner meeting, a person shall not pay a company or person to collect proxy votes.

e) The Board may provide that elections may be conducted by mail.

f) Votes cast by proxy and by absentee ballot are valid for the purpose of establishing a quorum.

g) Ballots, if used, shall be counted by a neutral third party or by a committee of volunteers. The volunteers shall be selected or appointed at an open meeting, in a fair manner, by the chair of the Board or another person presiding during that portion of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates.

h) Nothing in this section shall be considered in conflict with or a replacement of voting member councils or representative voting systems created by the Community Documents.

Section 3. Voting on Lot Sold on Contract

The purchaser of a Lot under an executory contract for sale of a lot shall be entitled to the vote for such Lot unless the contract purchaser and the contract vendor agree otherwise.

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Annual Meeting

The annual meeting of the members of the Association shall be held at least once every thirteen months and at a location selected by the Board of Directors within 30 miles of the Canyon Ridge Estates, Phase I, Subdivision, within the County of Bernalillo, State of New Mexico. At the annual meeting, the Board of Directors shall present an accounting of the expenses, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each Owner, and the estimated budget for the coming calendar year, and any other business which may properly be brought before the Association.

Section 2. Special Meetings

Special meetings of the members of the Association may be called at any time by the President, or upon resolution signed by at least a majority of the Board of Directors, or upon written petition to the President signed by ten percent (10%) of the members. The purpose of every special meeting shall be transacted except such as is specified in the notice.

Section 3. Notice

Written notice of the meeting stating the time, date and location of the annual meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered electronically, hand-delivered or sent by mail not less than ten and no more than thirty days before the meeting. If sent by mail, the notice shall be deemed

to be delivered when addressed to a lot owner at the address as it appears in the Association's records and deposited in the United States mail, postage prepaid.

Section 4. Quorum

For purposes of both annual meetings and special meetings, a quorum shall consist of fifteen percent (15%) of the members eligible to vote.

Section 5. Attendance and Time Limits

All lots owners shall have the right to attend and speak at all open meetings, but the Board may place reasonable time restrictions on those persons speaking.

Section 6. Minutes

The Association shall maintain a written copy of the minutes of all Association meetings, including summaries of all agenda items and formal actions taken.

Section 7. Closed Portions of Meetings

Any portion of a meeting may be closed only if that portion is limited to consideration of:

- a) legal advice from an attorney for the Board or Association;
- b) pending or contemplated litigation; or
- c) personal, health or financial information about an individual member of the Association, an individual employee

of the Association or an individual contractor for the Association.

Section 8. Order of Business

The order of business at the annual meetings, and as far as possible at other meetings, shall be:

- 1) Calling to order and proof of quorum;
- 2) Proof of notice of meeting;
- 3) Reading and action taken upon the minutes of the last meeting;
- 4) Reports of Directors;
- 5) Report of Officers and Committees;
- 6) Election of Directors;
- 7) Unfinished business;
- 8) New business;
- 9) Adjournment.

ARTICLE V. DIRECTORS

Section 1. Directors Meetings

Regular meetings of the Board of Directors shall be held as the Board may determine and at such place and hour as may be fixed from time to time by resolution of the Board. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director. Directors meeting shall be open to any member of the Association.

Section 2. Quorum

A majority of the total number of Directors shall constitute a quorum for the transaction of business. Each act or decision done or made by the Directors shall require the assent of a simple majority of the quorum.

Section 3. Removal and Replacement of Directors

Any Director or Officer of the Association may resign in writing at any time and may be removed from office, with or without cause, by a vote of not less than two-thirds (2/3) of the members of the Association present at any annual meeting, or at any special meeting called for that purpose. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve until the next meeting of the Association when another will be elected for the unexpired term.

Section 4. Compensation of Director

No Directors shall receive compensation for any service he may render to the Association; however, any Director may be Reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Meeting By Conference Telephone

The Directors shall have the right to participate in a meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons

participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

Section 6. Action by Directors without a Meeting

Any action which may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors. The consent shall have the same force and effect as a unanimous vote.

Section 7. Additional Provisions for Board Meetings

The provisions of Article IV, Sections 5, 6, and 7 set forth above shall apply to Board Meetings.

ARTICLE VI: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers

The Board of Directors shall have power to:

- a) Adopt and publish rules and regulations governing the use of the Common Facilities and Common Properties, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b) Suspend the good standing of any member as specified in the Article III of these By-Laws;
- c) Suspend the right to use of the Common Facilities and Common Properties by 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 60 days for infraction of published rules and regulations;

- d) 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 Restated By-laws, the Articles of Incorporation, or the Declaration;
- e) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from four (4) consecutive regular meetings of the Board of Directors and fill that vacancy;
- f) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- g) To incur debt and approve contracts;
- h) Approve new members;
- i) Levy assessments and the enforcement and collection thereof in accordance with the

provisions of these Restated By-laws and the laws of the State of New Mexico.

- j) Levy reasonable fines for violations of or failure to comply with any provision of the Community Documents;
- (k) Prior to imposition of a fine or suspension, the Board shall provide an opportunity to submit a written statement or for a hearing before the Board or a committee appointed by the Board by providing written notice to the person sought to be fined or suspended fourteen days prior to the hearing. Following the hearing or review of the written statement, if the Board or committee, by a majority vote, does not approve a proposed fine or suspension, neither the fine nor the suspension may be imposed. Notice and a hearing are not required for violations that pose an imminent threat to public health or safety;
- (l) If a person against whom a violation has been alleged fails to request a hearing or submit a written statement as provided of in subsection (k) of this section, the fine or suspension may be imposed, calculated from the date of violation; and

- (m) A lot owner or the Association may use a process other than litigation used to prevent or resolve disputes, including mediation, facilitation, regulatory negotiation, settlement conferences, binding and nonbinding arbitration, fact-finding, conciliation, early neutral evaluation and policy dialogues, for complaints between the lot owner and the Association or if such services are required by the Community Documents.

Section 2. Duties

It shall be the duty of the Board of Directors to:

- a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or any special meeting;
- b) Supervise all officers, agents and employees of this Association, to ensure 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) day in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty

- (30) days in advance of each annual assessment period;
- (3) Fix the amount of any special assessment against each Lot as provided in the Declaration and send statements to each Owner as provided for therein; and
 - (4) Send written notice of each special assessment to every Owner subject thereto at least thirty (30) days after the due date; and
 - (5) Foreclosure the lien of the Association against any Lot for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same when, in the discretion of the Board of Directors, such action(s) would be in the best interest of the Association.
- d) Issue, or to cause an appropriate officer to issue, upon reasonable demand by any person, a certificate setting forth whether or not and 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 in favor of any party relying thereon in good faith;

- e) Procure and maintain adequate liability and hazard insurance on property owned or maintained by the Association;
- f) Cause all officers or employees having fiscal responsibilities to be bonded, if in the discretion of the Board of Directors such bond is deemed appropriate;
- g) Cause the Common Facilities and Common Properties to be maintained;
- h) Prepare the annual budget;
 - (i) Within thirty calendar days after adoption of any proposed budget for the Association, the Board shall provide a copy of the budget to all the lot owners;
 - (ii) The Board shall provide to all lots owners a statement, included with a copy of the annual budget, listing all fees and fines that may be charged to a lot owner by the Association, or any management company retained by the Association, to act on behalf of the Association, including charges for a disclosure certificate pursuant to Subsection H of Section H of Section 47-16-12 NMSA 1978.
- i) Pay all Association bills when they become due;

- j) Enforce by legal means the provisions of the Declarations, these Restated By-laws, and the Rules and Regulations;
- k) Act on behalf of the Owners with respect to all matters arising out of any eminent domain proceeding.
- l) Within ninety days after being elected or appointed to the Board, each Board member shall certify in writing to the secretary of the Association that the Board member:
 - (i) has read the Community Documents;
 - (ii) will work to uphold the Community Documents and policies to the best of the Board member's ability;
 - (iii) will faithfully discharge the Board member's duties to the Association;
- (m) A Board member who does not file the written certification pursuant to Subsection (l) of this section shall be suspended from the Board until the Board member complies with subsection (l).
- (n) The Association shall retain each Board member's written certification for inspection by lot owners for five years after the Board member's election or appointment. The failure of the

Association to have a Board member's written certification on file does not affect the validity of any action taken by the Board or any protections provided to Board member under the Homeowner's Association Act or Nonprofit Corporation Act.

ARTICLE VII: OFFICERS

Section 1. Enumeration of Officers

The officers of this Association shall be a President, Vice-President, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. Each officer shall be a member of the Association or an authorized agent of a member corporation or partnership. Only Directors shall be eligible for the offices of the President and Vice-President. Secretary and Treasurer positions may be filled by a single officer.

Section 2. Election of Officers and Term

The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve. 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. Special Officers

The Board may elect such other officers from the members 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 4. Resignation and Removal

Any officer may be removed from the office, with or without cause, by the Board. Any officer may resign in writing at any time giving written notice to the Board. 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 5. Vacancies

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Duties

The duties of the officers are as follows:

- a) President. The president shall preside at all meetings of the members and the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments on behalf of the Association

and shall co-sign all checks and promissory notes.

- b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their mailing address and whether or not they are in good standing, 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, including but not limited to the Maintenance Fund as set forth in the Declaration, and shall disperse such funds as directed by the Board of Directors; shall sign

all checks and promissory notes of the Association; keep proper books of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditure to be presented to the membership at its regular annual meeting.

ARTICLE VII: MAINTENECE FUND AND RESERVE FUND

As more fully described in the Declaration, the Association shall create and maintain a Maintenance Fund and reasonable reserves. The purpose of the Maintenance Fund and the reserves shall be as specified in the Articles. The Amount of the annual levy to establish and maintain the Maintenance Fund shall be determined by the Board of Directors based in part upon the average annual expenditures for part upon the average annual expenditures for past years as well as those reasonably anticipated in future years.

ARTICLE IX: ASSESSMENTS

As more fully provided in the Declarations, each member is obligated to promptly pay to the Association both annual and special assessments all of which are secured by a continuing lien upon the Lot against which the assessment is made. Any Assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due

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 foreclose the lien agreement against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment . No owner may otherwise escape liability for the assessments provided for herein. The Board of Directors shall be entitled to record a notice of the lien of the Association for any assessment which is delinquent.

ARTICLE X: RECORDS OF THE ASSOCIATION

Section 1. Inspection of Records

The books, records and papers of the Association shall at all times, during regular business hours and upon reasonable advance notice, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reproduction cost.

- a) All financial and other records of the Association shall be made available during regular business hours for examination by a lot owner within ten business days of a written request.

- (b) The Association shall not charge a fee for making financial and other records available for review. The Association may charge a reasonable fee of not more than ten cents (\$.10) per page for copies.
- (c) As used in this section, "financial and other records" includes:
- (i) the Declarations of the Association;
 - (ii) the name, address and telephone number of the Association's designated agent;
 - (iii) the Restated By-laws of the Association and any amendments thereto;
 - (iv) the names and addresses of all Association members;
 - (v) minutes of all meetings of the Association's lot owners and Board for the previous five years, other than executive sessions, and records of all actions taken by a committee in place of the Board or on behalf of the Association for the previous five years;
 - (vi) the operating budget for the current fiscal year;
 - (vii) current assessments, including both regular and special assessments;

- (viii) financial statements and accounts,
 - including bank account statements,
 - transaction registers, association-provided service or utility records and amounts held in reserve;
 - (ix) the most recent financial audit or review, if any;
 - (x) all current contracts entered into by the Association or the Board on behalf of the Association;
 - (xi) current insurance policies, including company names, policy limits, deductibles, additional named insureds and expiration dates for property, general liability and Association director and officer professional liability, and fidelity policies; and
 - (xii) any electronic record of action taken by the Board.
- (d) A lot owner that is denied access to financial and other records is entitled to the greater of the actual damages incurred for the Association's willful failure to comply or fifty dollars (\$50.00) per calendar day, starting on the

eleventh business day after the Association's receipt of the written request until such records are provided.

ARTICLE XI: SALE OR TRANSFER OF MEMBERSHIP

Section 1. Sale or Transfer

Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each lot and may not be separated from such ownership, all as provided for in the Declarations. Whenever the legal ownership of any lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association.

Transfer of an interest in the Association will not affect or change any existing or accrued obligations.

ARTICLE XII: AMENDMENTS

These By-laws may be repealed or amended by action of the Board of Directors.

ARTICLE XIII: MISCELLANEOUS

Section 1. Fiscal Year

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Indemnification of Board of Directors and Association

Each member of the Board of Directors or officer of the Association shall be indemnified by the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved by reason of their being or having been an officer or member of the Board of Directors, or any settlement thereof, whether or not they are a member of the Board of Directors or officer at the time such expenses are incurred except in cases wherein the officer or Board member is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

Section 3. Conflicts

In the case of any conflict between the Articles of Incorporation and the Restated By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Restated By-Laws, the Declarations shall control.

Section 4. Interested Parties

No transaction of the Association will be affected because a Member, Director, Officer, or Employee of the Association is interested in the transaction, provided full disclosure is made in advance to the Directors and officers of the Association. Such interested parties will be counted for quorum purposes, and may vote, when the Association considers the transaction. Such interested persons will not be liable to the Association for the party's profits, or the Association's losses from the transaction.


Section 5. Compliance with HOA Act


The Association and the Board shall comply with the Homeowner's Association Act, 1978 NMSA, 14-16-1, et seq. In the event any provision contained herein is stricken from the Act in subsequent Amendments, such provision shall also be of no further force nor effect in the Community Documents.

IN WITNESS WHEREOF, we, being the Board of Directors, and the President and Secretary of the PAA-KO COMMUNITIES HOMEOWNERS' ASSOCIATION, having adopted these Restated By-laws of the Association, have hereunto set our hands this 17th day of April, 2020.



President



Secretary



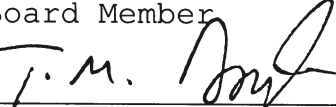
Board Member




Board Member



Board Member



Board Member



Board Member