



Bylaws of Alto Lakes Golf & Country Club, Inc.

AND ALL APPROVED AMENDMENTS THROUGH JUNE 26, 2021

ARTICLE I – MANAGEMENT AND BOARD OF DIRECTORS

1. Management of the Club
2. Regular Meetings of the Board
3. Special Meetings of the Board
4. Vacancy on the Board
5. Borrowing Power of the Board
6. Spending Power of the Board
7. Conflicts of Interest Policy
8. Removal of Directors

ARTICLE II – OFFICERS

1. Specification of Officers
2. Vacancy
3. President
4. Vice-President
5. Secretary
6. Treasurer
7. Removal of Officers

ARTICLE III – MEMBERS AND MEMBERSHIPS

1. Classifications of Memberships
2. Fees, Dues, Assessments and Penalties
3. Transfer of Memberships
4. Suspension of Membership Privileges
5. Grounds for Discipline
6. Disciplinary Action

ARTICLE IV – MEETINGS AND ELECTION OF DIRECTORS

1. Annual Meeting
2. Special Meetings
3. Place of Meeting
4. Notice of Meeting
5. Quorum and Voting
6. Conduct of Meetings
7. Manner of Electing Directors

ARTICLE V – COMMISSIONS

1. Creation
2. Term of Office
3. Chairperson
4. Vacancies
5. Quorum
6. Rules
7. Architectural Control Commission
8. Long Range Planning Advisory Commission
9. Golf and Green Advisory Commission
10. Finance and Audit Commission
11. Procurement and Construction Commission
12. Pickleball and Tennis Advisory Commission

ARTICLE VI – RESTRICTION ON USE OF CLUB PROPERTY

ARTICLE VII – INDEMNIFICATION AND INSURANCE

1. Right to Indemnification
2. Right to Indemnity to Bring Suit
3. Non-Exclusivity
4. Insurance

ARTICLE VIII – RIGHT OF INSPECTION

ARTICLE IX – AMENDMENT OF BYLAWS

ARTICLE X – INTERPRETATIONS OF BYLAWS

1. Ambiguities and Inconsistencies
2. Gender

ARTICLE I - MANAGEMENT AND BOARD OF DIRECTORS

1. Management of the Club.

The responsibility for management of the business and affairs of the Corporation, herein called the "Club", shall lie with the Board of Directors. The Club has chosen the General Manager concept of Club management, wherein day to day business is conducted by a General Manager who is accountable to the Board of Directors. The Board of Directors shall consist of nine (9) individuals who are either regular or social members, as hereinafter defined in Article III, Section 2 (Regular and Social members are sometimes herein jointly referred to as "property owners") who are to be elected for a term of three (3) years, and the terms shall be staggered so there will be three (3) vacancies each year. A Board member shall not serve more than (6) consecutive years. If appointed to the Board to fill a vacancy, that Board member may then run for the next full term. Any member who serves as a Board member for six (6) consecutive years shall not be appointed to or elected as a Board member for a period of (3) three years after the end of the sixth (6th) consecutive year. Employees who are also Club Members are not eligible to be Board members. Former employees who are also Club members are not eligible to become a Board member until after the sixth (6th) Board election following their separation from Club employment.

2. Regular Meetings of the Board.

The Board of Directors shall meet at the principal office of the Club immediately following the annual membership meeting and on a regular monthly schedule as the Board shall determine. A quorum shall consist of a majority of the members of the Board. Prior notice of all meeting agendas shall be provided on the Club web site and Clubhouse bulletin board no less than 48 hours prior to the time set for such meeting. All Board meetings shall be open to the general membership; however, the Board may go into executive session as required to discuss membership, personnel, legal or other confidential issues.

3. Special Meetings of the Board.

A special meeting of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors. Notice of such a special meeting shall be given by personally delivered notice at least three (3) days prior to said meeting or by mailing notice thereof by United States mail, postage prepaid, at least five (5) days prior to said meeting. Special meetings may be held without notice if such notice is waived by majority consent of the Board of Directors. A quorum shall consist of a majority of the members of the Board. All special meetings of the Board shall be open to the general membership; however, the Board may go into executive session as required to discuss membership, personnel, legal or other confidential issues. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4. Vacancy on the Board.

In case of a vacancy on the Board of Directors caused by the death, resignation or otherwise of any member of the Board, the remaining members of the Board shall elect a "Property Owner" in good standing from the general membership to fill the vacancy. Such new member to serve for the unexpired term of his predecessor and until his successor is elected and qualified.

5. Borrowing Power of the Board.

The Board of Directors shall have the authority to obtain loans from time to time in the name of the Club to finance the operations of the Club. The outstanding amount of all such indebtedness at any one time may not exceed 25% of the annual dues payable by all members. The Board of Directors shall also have the authority to encumber the property of the Club with a mortgage or other lien or security interest to secure any such loan or loans and to authorize the officers of the Board of Directors to execute and deliver any such mortgage, security agreement or other instrument.

6. Spending Power of the Board.

The Board of Directors shall not have the authority to spend funds of the Club to add additional structures or to make significant structural changes or additions to existing structures at the Club or the golf course without the approval of a majority of the members voting. Structures to which this provision applies and significant structural changes shall be those costing in excess of Five Hundred Thousand Dollars (\$500,000), either individually or in the aggregate. This does not limit the Board's authority to do maintenance, repair and routine or minor structural changes.

7. Conflict of Interest Policy.

The Board of Directors has adopted a conflict of interest policy consistent with the New Mexico Business Corporation Act. A copy of this policy may be obtained by requesting a copy from the office of the Manager of the Club.

8. Removal of Directors.

A member of the Board of Directors may be removed from office by a vote of two-thirds (2/3) of the Board whenever, in their judgment, the best interest of the Corporation will be served thereby; provided, that notice of an intention to vote on the matter is given by mail to all members of the Board at least five (5) days prior to the meeting at which the vote is taken. A member who fails to attend three (3) consecutive regular meetings of the Board of Directors may be removed from office by a two-thirds (2/3) vote of the remaining Board members. The general membership may remove a Director or officer by filing a petition with the Secretary signed by ten (10) percent or more of the members in good standing, setting forth the charges on which the request for removal is based. The person or persons so charged shall be given fourteen (14) days written notice prior to any regular or special meeting of the membership called for the purpose of removal in order to prepare and file with the Secretary a written response to the charges for removal. The petition for removal and the written response thereto shall be read to the membership in attendance by the Presiding Director of the Board. After discussion of the issues the Presiding Director shall call for a vote which shall require a majority vote of the members present in person or by teleconference to cause the removal of the person or persons being charged. The Club shall not be liable for any legal expenses born by Directors or Officers so charged unless they are not removed from office. The then current legal counsel for the Club shall not participate on either side of the controversy.

ARTICLE II - OFFICERS

1. Specification of Officers.

The Officers of the Club shall be a President, Vice-President, Secretary and Treasurer. The offices of Secretary and Treasurer may not be held by the same person. The officers of the Club shall be chosen from members of the Board of Directors. The officers of the Club shall be elected by a majority vote of the Board of Directors and said officers shall serve for a one-year term. The election of officers shall be held annually at the first regular meeting of the Board of Directors immediately following the annual membership meeting or at a special meeting called for that purpose.

2. Vacancy.

In case of a vacancy in any office, a majority of the Board of Directors shall elect a successor to hold such office for the unexpired term.

3. President.

The President shall preside at all meetings of the members of the Club and all meetings of the Board of Directors. The President shall have the power to appoint such Advisory Commissions as may be necessary and shall be an ex-officio member of all Commissions. All appointees shall be approved by a majority of the Board of Directors and will serve at the pleasure of the Board of Directors. In the event the President of the Club is serving the last year on the Board of Directors, the President shall be an ex-officio member of the Board of Directors for the immediately

following year. An ex-officio member of the Board shall not be a voting member of the Board.

4. Vice-President.

The Vice-President shall perform all of the duties of the President during his absence and at such times as the President is unable to act.

5. Secretary.

The Secretary shall attend all meetings of the members and Directors and keep a full and accurate account of the proceedings in a book to be kept for that purpose; shall maintain all records of membership and record all transfers of membership; keep the seal of the Club and shall affix the seal to all instruments requiring the seal of the Club as directed by the Board of Directors. During the absence or inability of both the President and the Vice-President, the Secretary shall perform the duties of the President.

6. Treasurer.

The Treasurer shall keep a full and accurate account of receipts and disbursements of the Club in books belonging to the Club and shall deposit all monies and valuable objects in the name of the Club in such depositories as may be designated by the Board of Directors. A report of the finances of the Club shall be made by the Treasurer monthly to the Board of Directors and a report of the finances shall be submitted to the membership quarterly and at each annual meeting. The Treasurer shall be required at any time to give such bond as the Directors may designate at the expense of the Club.

7. Removal of Officers.

Any Officer of the Club may be removed from office by a majority vote of the Board of Directors whenever, in their judgment, the best interest of the Club will be served thereby.

ARTICLE III - MEMBERS AND MEMBERSHIPS

1. Classifications of Memberships.

There shall be three (3) classes of memberships: Regular, Social and Special. Membership classes shall have the following rights and privileges:

a. Regular Memberships.

Each Regular Membership shall be appurtenant to a residential lot or building unit. No such residential lot or building unit shall be transferred, sold or conveyed without a Club membership being appurtenant to it. Only one of the owners of each lot or building unit with a Regular Membership attached may be a Regular Member, upon execution of an appropriate Agreement and upon payment of the initiation fee established in accordance with these Bylaws. A Regular Membership shall entitle the following people to the privileges of a Regular Membership as the same may be defined from time to time by the Board of Directors, specifically including the use of all golf facilities: 1) the named holder thereof; 2) any one other adult who is either the spouse of the holder or a) resides with the holder on a fulltime basis, b) is not related to the holder, and c) is not a service provider to the holder; and 3) any unmarried children of the holder under the age of twenty-four (24) years of age (hereafter referred to in these bylaws as "Authorized Users"). These privileges will be granted only upon the written identification of these individuals by the holder to the Club.

b. Social Memberships.

Each Social Membership shall be appurtenant to a residential lot or building unit. No such residential lot or building unit shall be transferred, sold or conveyed without a Club membership being appurtenant to it. Only one of the owners of each lot or building unit with a Social Membership attached may be a Social Member, upon execution of an appropriate Agreement and upon payment of the initiation fee established in accordance with these Bylaws. A Social Membership shall entitle the Authorized Users to the privileges of a Social Membership as the

same may be defined from time to time by the Board of Directors, but such privileges shall not include the use of any golf facilities. These privileges will be granted only upon the written identification of these individuals by the holder to the Club. At the discretion of the Board of Directors a Social Membership may become a Regular Membership by payment in cash to the Club of an amount set by the Board of Directors.

c. Description of the Four Types of Special Membership

(1) Existing Special Memberships.

Holders of Existing Special Memberships are those who do not own residential lots or units in any of the Alto Lakes Golf & Country Club Subdivisions and who have been approved by the Board of Directors. No additional Existing Special Memberships shall ever be issued without the prior approval of the membership. Existing Special Memberships presently have the rights, privileges and obligations of Regular Memberships. In the event the holder of an Existing Special Membership desires to sell said membership, the Club shall have the first right to purchase said membership. Said right shall be exercised within thirty (30) days of the Board's receipt from the Existing Special Member of a bona fide offer to purchase such membership. Should the Board fail to purchase within said thirty (30) days of the notification as provided herein, the Existing Special Member shall be free to sell the membership in accordance with the bona fide offer, provided such transfer shall have the written consent of the Board of Directors, which consent shall not be unreasonably withheld, and provided such transfer shall be subject to a transfer fee fixed by the Board of Directors.

(2) Lincoln Hills Special Memberships.

As a result of the acquisition of the Outlaw Golf Course, not more than 250 Lincoln Hills Memberships will be issued for residential lots sold in the Lincoln Hills subdivision. Such memberships may be less than 250 as a result of lot combinations or withdrawals of lots from residential use by the Lincoln Hills developer. One such Lincoln Hills Special Membership shall be appurtenant to each of the residential lots sold within the Lincoln Hills subdivision and shall be transferable only upon transfer of the lot to which it is appurtenant. No lot in Lincoln Hills shall be transferred, sold, or conveyed apart from its appurtenant Lincoln Hills Special Membership. The Lincoln Hills Special Membership shall entitle the Authorized Users to all of the rights, privileges and obligations of a Regular Membership, as the same may be defined from time to time by the Board of Directors, specifically including the use of all Club golf facilities, the right to vote, the right to be an officer, director or commission member, except such member may not serve on the Alto Architectural Control Commission. No initiation fees or transfer fees will be charged with respect to the initial issuance by the Club of Lincoln Hills Special Memberships resulting from the first sale of a Lincoln Hills lot by the developer. Subsequent transfers of Lincoln Hills lots to third parties shall be subject to the then prevailing Regular Membership transfer fees charged by Club. As a condition precedent to receiving a Lincoln Hills Special Membership, all such recipients shall agree in writing to be bound by the Articles of Incorporation, Bylaws of Club and execute a membership agreement.

(3) Limited Special Memberships.

As a result of the acquisition of the Outlaw Golf Course, the Club shall issue to each then holder of an outstanding Outlaw Desperado Membership (not exceeding 57) a non-voting Limited Special Membership having the limited privileges set forth below and being unattached to any lot. At such time, as a condition precedent to receiving a Limited Special Membership, all such recipients shall agree in writing to be bound by the Articles of Incorporation, Bylaws of Club, and execute a membership agreement. The Authorized Users will have golf privileges only at the Outlaw Golf Course, will have privileges of Social Members at Club facilities but will not have golf privileges at the Club's Alto Lakes golf course and, will have no voting rights, nor the right to be an officer, director or the member of any commission. Holders who are not Club Regular Members shall pay dues fixed by the Board of Directors of the Club and fairly commensurate with the limited privileges afforded to such Limited Special Memberships. Holders who are also Regular Members

of the Club will not pay dues with respect to the Limited Special Memberships but will pay only their Regular Membership dues. No initiation fees or transfer fees will be charged with respect to the issuance by the Club of Limited Special Memberships to the original 57 Desperado Members. Thereafter, Limited Special Memberships will be fully transferable, subject to such transfer fees payable to the Club as may be determined from time to time by the Club's Board of Directors.

(4) Detached Certificate Memberships.

As a result of the acquisition of the Outlaw Golf Course, the developer of the Lincoln Hills Subdivision has the right to detach a Lincoln Hills Special Membership from its appurtenant lot and sell it as a Detached Certificate Membership. The Detached Certificate Membership shall have the same rights, privileges and obligations as a Lincoln Hills Special Membership, except such member shall not have the right to vote nor to be an officer, director or member of any commission. No transfer fee shall be charged on the initial issuance by the Club of a Detached Certificate Membership to a purchaser thereof; however, any transfer by such holder shall require the payment of the then prevailing Regular Membership transfer fee. As a condition of receiving a Detached Certificate Membership, the holder shall agree to be bound by the Articles of Incorporation, bylaws, policies of the Club and execute a membership agreement and must not be in violation of the bylaws or Club policies at the time of issuance of the membership. Upon sale of the lot from which the membership was detached, the Detached Certificate Membership shall be recalled and cancelled, except this requirement shall not apply to a Detached Certificate arising from a replat or lot combination, or a transfer of a lot to the Club.

2. Fees, Dues, Assessments and Penalties.

a. Initiation Fees and Membership Dues.

The amount of the initiation fees and dues for each class of members provided for herein shall be fixed and determined from time to time by the Board of Directors. Any dues increase in excess of ten percent (10%) in any given year, or any increase in excess of twenty percent (20%) in any three-year period, must be approved by the members.

b. Special Assessments.

The Board of Directors may levy a special assessment for the purpose of funding, in whole or in part, the cost of any repair, replacement or addition of improvement to or upon Club property, provided that any such special assessment shall be approved by the members.

c. Liens.

The payment of all dues, as well as all other charges, assessments, and fees duly established or imposed by the Board of Directors (including interest at the highest legal rate, attorney's fees for filing a claim of Lien, and reasonable attorney's fees related to any steps taken toward foreclosure of lien), shall be secured by a lien against the lot or residential building unit to which such membership is appurtenant. Such lien shall become effective when a Claim of Lien in the form of a materialman's lien has been recorded by the Club in the Office of the Recorder of Lincoln County, New Mexico, and such lien shall be foreclosed in the manner provided by New Mexico law for the foreclosure of materialman's liens.

d. Transfer Fees.

Transfer Fees for each class of membership shall be paid at the time of transfer of an interest in property to which the membership is attached, and such fee shall be established from time to time by the Board of Directors.

3. Transfer of Memberships.

The sale or other conveyance of the lot or residential building unit which is the basis of any membership, or the sale or other conveyance of a special membership shall create an assignment of such membership to one of the transferees of the lot or residential building unit or one of the transferees of the special membership. The transferee shall execute a Membership Agreement. The Board of Directors must be notified of such sale or conveyance in writing and the Club shall be

furnished a true copy of the deed or recorded document by which the property or membership was conveyed.

a. Sale or Conveyance.

If the residential building unit or lot or special membership is acquired and owned by a corporation, partnership, limited liability company, trust estate, or other form of ownership other than a single individual (an "Entity"), the Entity must designate one individual who will be issued the membership ("the designee"). The designee must be a bona fide director, officer, partner, member, shareholder, employee, beneficiary or settlor, as applicable, of the Entity. The designee, if any, and the Entity, shall be jointly and severally responsible for all applicable dues, fees and charges. Only the Authorized Users designated by the designee will be entitled to use the membership. The Entity may change its designee upon the submission to the Club of an affidavit verifying that the new designee is a bona fide Director, officer, partner, member, shareholder, employee, beneficiary or settlor, as applicable, of the Entity, and an affidavit from the prior designee (or authorized representative of the Entity) accepting the designee's replacement as the entity's new designee, and upon the payment of the transfer fee determined by the Club to be applicable to the transfer of membership.

b. Grace Period.

Upon the sale or other conveyance of a lot or a residential building unit, members shall have a period of ninety (90) days from the date of the closing of the sale or other conveyance in which to purchase or otherwise obtain another lot or residential building unit and to obtain a new membership. For a period of ninety (90) days following the closing of the sale or other conveyance members shall also be afforded the status of a social member and they may pay for their use of the Club's facilities with a credit card. During this period the member may only play golf as an accompanied guest at the then applicable rate.

4. Suspension of Membership Privileges.

a. Mandatory.

If a member fails to pay membership dues and/or other assessments or charges when due, and fails to bring the member's account current within ninety (90) days of the date the dues, assessment, or other charges are billed, that member's membership privileges shall automatically be suspended until such time as all outstanding dues, assessments, charges and accrued interest are brought current.

b. Discretionary.

The Board of Directors may, as one of the remedies available to the Board to enforce the Club's Articles of Incorporation, Restrictive Covenants, Bylaws, rules and policies, suspend a member's membership privileges for such a period of time as the Board feels is in the Club's best interest, in the manner set forth below in Paragraph 6 of this article.

c. Effect of Suspension.

During any period of suspension of membership privileges, the member's right to be on, or to use the Club's property, and that member's right to vote on any issue, shall be revoked. If the membership privileges were suspended for disciplinary reasons or for the failure to pay dues, assessments, or other charges, the suspended membership shall continue to be assessed for payment of the dues, assessments, charges, reinstatement fee as set from time to time by the Board of Directors and interest accruing during the period of suspension.

5. Grounds for Discipline:

The member is responsible for the member's own conduct and for the conduct of those having privileges under the membership, including any guest of the member. Conduct by any of the foregoing which the Board determines would be likely to endanger the welfare, safety, harmony or good reputation of the club or its members, is unbecoming of a member of the Club, or is otherwise improper may be grounds for discipline. Grounds for discipline may include, but are not limited to, the following:

1. Submitting false information on an application or agreement.
2. Submitting false information on an application for guest privileges for a guest of the member:
3. Failing to accompany a guest where required when using facilities of the Club.
4. Failing to abide by the Club bylaws, rules, and policies.
5. Physically or verbally abusing Club employees.
6. Destroying, damaging, or abusing Club property.
7. Physically or verbally abusing officers and directors of the Club.

6. Disciplinary Action.

If any member shall be charged in writing addressed to the Board of Directors alleging sufficient grounds for discipline, or if the Board on its own motion finds grounds for possible discipline, the Board shall give the member written notice of the charge(s) as of the date of a hearing before the Board at least ten (10) days prior to the hearing either by serving the member personally or by mailing the notice addressed to the member by ordinary mail, postage prepaid, the address of the member as shown on the books of the Club. At the hearing the charging party(s) and the charged member may present relevant evidence and make statements, and thereafter the Board shall deliberate in private. After deliberation the Board shall vote as to the truth of the charge(s), and if found true, the Board may censure the member, it may impose a monetary assessment against the member, it may suspend the member's membership privileges for a definite or an indefinite period of time, or it may take such other action under the circumstances as it deems appropriate.

ARTICLE IV – MEETING OF MEMBERS AND ELECTION OF DIRECTORS

1. Annual Meeting:

The annual meeting of the membership shall be held on the fourth Saturday of June of each year at a time to be determined and set by the Board of Directors for the purpose of announcing the election of directors and for the transaction of such other business as may come before the meeting.

2. Special Meetings.

Special meetings of the membership may be called at any time by the President, a majority of the Board of Directors or by members having one-twentieth (1/20th) of the votes entitled to be cast at such meeting. The special meeting must then be held within 45 days of such request. Written notice of a special meeting shall contain the purpose(s) of the meeting.

3. Place of Meeting.

The Board of Directors may designate any place within Lincoln County as the place of the annual meeting or any special meeting. If no designation is made, the place of meeting shall be the registered office of the Club.

4. Notice of Meetings.

Notice of meetings stating the place, day, and hour of any meeting of members shall be delivered by mail, electronic mail (email), or notice posted on the member page of the Club Website to each member entitled to vote at such meeting, not less than thirty (30) days unless a lesser time is specified in these By-laws before the date of such meeting.

5. Quorum and Voting:

A quorum of members shall consist of that number of members who are entitled to cast one-third (1/3) of the eligible votes, then entitled to be cast present in person, or by written proxy; a majority of the eligible votes of those members present in person or by proxy at a meeting at which there is a quorum shall be necessary for the adoption of any matter. Each Social membership shall be entitled to one vote; each Regular membership and each Existing Special membership and each Lincoln Hills Special membership shall be entitled to two votes on any matter. Only those members who are reflected on the records of the Club for at least thirty days prior to the annual meeting, or any special meeting, will be eligible to vote.

a. A member entitled to vote at a meeting of the members may vote in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. The Board shall designate two individuals to cast proxies in accordance with the direction of the member. All returned proxies and ballots will be kept sealed until the time of counting. No proxy voting will be allowed in the election or removal of directors.

b. A member shall automatically be denied the privilege of voting on any question if he shall be delinquent in the payment of any dues or assessments for a period of more than thirty days or if suspended by the Board.

6. Conduct of Meetings.

All meetings of the members of this Club shall be presided over by the President, or in his absence the Vice-President, or in his absence the Secretary, or in his absence the Treasurer, or in his absence a member of the Board of Directors. The Secretary of the Club shall be the Secretary at such meeting. In the event the Secretary is unable to be present, the presiding officer shall appoint a Secretary of the meeting. The minutes of each meeting shall be verified by the signature of the presiding officer. No vote on any proposition shall be taken unless written ballots have been mailed to the members with the notice of the meeting. Robert's Rules of Order shall be followed unless in conflict with the Bylaws.

7. Manner of Electing Directors:

a. Nominations of Directors.

The Board shall appoint a Nominating Commission consisting of five (5) members in good standing from the membership. No member of the Board or any member of the Nominating Commission from the preceding year shall be eligible for appointment. The Secretary shall give the Commission the information regarding the expiration of the terms of the Directors. This Commission shall meet within two (2) weeks after its appointment and select a chairperson from among its members. The Commission shall nominate two (2) candidates for each Directorship to be filled. All candidates must be a regular, social or Lincoln Hills Special Member in good standing. No member of the Nominating Commission shall be nominated by the Nominating Commission. In addition, any twenty (20) or more members in good standing may nominate, by written petition, another candidate or candidates for the Board by filing a copy of such nominating document with the Secretary or designee on or before April 30th each year. A member in good standing may sign no more than three petitions for nomination by petition. The names of candidates nominated by petition shall be posted on a Club bulletin board along with copies of the signed petitions. The Nominating Commission shall also post a copy of its selections on a Club bulletin board and submit its list to the Secretary on or before April 15th.

b. Voting Procedure.

1. Voting for Directors is to be conducted by secret direct ballot either in person or by mail.
2. Not less than thirty (30) days prior to the Annual Meeting the Secretary shall cause to be mailed a formal ballot to each member entitled to vote. The ballot shall be mailed to each such member at his billing address. This ballot will list all candidates for the position of Director. The candidates' positions on the ballot shall be determined by lot. The envelopes in which said ballots are mailed shall be distinctively marked, and shall contain an addressed envelope for the return of the ballot to the tellers of the election. To be valid, the ballot must be received by the Secretary no later than the date indicated for return on the ballot, which shall be at least fifteen (15) days from the date the ballot is mailed, and must be returned in the return envelope provided by the Club. Ballots may be returned by mail or hand delivery to the Club's office. Ballot envelopes will be kept sealed until the time for counting. The ballot shall indicate the time and place at which such ballots will be counted, and any member is entitled to be present at the counting of the ballots. After the ballots are mailed, the Board may extend the date indicated for return of the ballot, in which event written notice of such extension shall be sent by mail to each voting member.

3. The Board shall appoint six tellers of election from the members. The tellers shall tabulate the votes and give such tabulation to the General Manager or any other election official appointed by the Board of Directors. The election official will tabulate the final totals and report in writing to the presiding officer at the annual or special meeting the complete results of the voting. The persons to be elected will be those who receive the three highest vote totals. No member of the Board or candidate for office shall be appointed as a teller.

4. The foregoing provisions of this Section are directory, and an election shall be valid if held in substantial compliance therewith.

ARTICLE V - COMMISSIONS

1. **Creation:**

Commissions, not having and exercising authority of the Board of Directors, may be designated by a resolution of the Board from time to time. Such commissions, including the standing commissions listed in Sections 7, 8, 9, 10, and 11 below, shall have such scope of duties and responsibilities as set out in the Board's resolution, which duties and responsibilities may be modified from time to time by resolution of the Board. Except as otherwise provided in such resolution, members of such commissions shall be members of the Club. Such members shall be appointed by the president, subject to confirmation by the Board of Directors. Any member may be removed by the Board of Directors at any time whenever in their judgment the best interests of the Club shall be served by such removal. The president may appoint a board liaison who shall not be entitled to vote except in the case of a tie. The president may also appoint one or more ex-officio members to any commission.

2. **Term of Office:**

The Board of Directors shall determine the term of each member and may use staggered terms in order to maintain continuity, and the Board may set limits on the number of consecutive terms a member may serve. Each member of a commission shall continue to serve until the annual meeting in which the member's term ends and until a successor is appointed, unless the commission shall sooner be terminated by the Board of Directors, or unless such member be removed from such commission, or unless such member shall cease to qualify as a member thereof.

3. **Chairperson:**

Each commission shall elect a chairperson from among its number.

4. **Vacancies:**

Vacancies in the membership of any commission may be filled by appointment made in the same manner as provided in the case of original appointment.

5. **Quorum:**

Unless otherwise provided in the resolution of the Board of Directors designating a commission, a majority of the whole commission shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the commission.

6. **Rules:**

Each commission may adopt rules for its own governance not inconsistent with these bylaws or with the resolution of the Board establishing such commission and subject to change by rules established by the Board from time to time regarding any commission.

7. **Architectural Control Commission.**

There shall be an Architectural Control Commission to investigate and make recommendations to the Board of Directors regarding the enforcement of the architectural control provisions of the respective Restrictive Covenants recorded with respect to each Subdivision which is a part of Alto Lakes Golf & Country Club.

8. **Long Range Planning Advisory Commission.**

There shall be a Long Range Planning Advisory Commission to work in close coordination with the Board of Directors of the Club, and the Board shall furnish to the Commission such financial information and economic support as shall be reasonably necessary, as deemed by the Board, for the Commission to effectively establish long range plans and goals for the construction of facilities, the efficient operation of the Club, and maintenance of the Club's properties, in order to advise and recommend to the Board that which in its opinion is feasible and in the best interest of the Club and its members.

9. Golf and Green Advisory Commission.

There shall be a Golf and Green Advisory Commission to review and advise the Board of Directors regarding all aspects of the golf course and golf operations. The Commission shall also review and advise the Board of Directors regarding the maintenance, repair and management of the golf course and grounds, Clubhouse landscaping, tournament schedule coordination, golf rules and regulation enforcement.

10. Finance and Audit Advisory Commission.

There shall be a Finance and Audit Advisory Commission to review and advise the Board of Directors on all financial matters related to the Club. The Commission shall review, evaluate, and make recommendations to the Board of Directors on the budget process, risk management programs, financial authorities and accountability and such other matters as the Board of Directors may direct. The Commission shall prepare and submit a report at each Annual Membership Meeting on the financial health of the Club.

11. Procurement & Construction Advisory Commission.

There shall be a Procurement & Construction Advisory Commission to provide advice and recommendations to the Board on matters relating to major construction projects, including construction, additions and improvements to existing Club facilities.

12. Pickleball and Tennis Advisory Commission.

There shall be a Pickleball and Tennis Advisory Commission to review and advise the Board of Directors regarding all aspects of the Sports Complex events and operations. The Commission shall also review and advise the Board of Directors regarding the maintenance, repair and management of the Sports Court Complex, tournament and events scheduled coordination, rules and regulation enforcement.

ARTICLE VI - RESTRICTION ON USE OF CLUB PROPERTY

The real estate acquired by the Club shall be used for no purpose other than as a Country Club and for Country Club purposes, including, but not limited to, the installation and maintenance of a Country Club and one or more Golf Courses, one or more Tennis Courts, one or more Pickleball Courts, one or more Swimming Pools, and related buildings and facilities of all kinds.

ARTICLE VII - INDEMNIFICATION AND INSURANCE

1. Right to Indemnification.

Each party who was or is made a party or is threatened to be a made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or officer of the Corporation or while a Director of the Corporation is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee or agent of another corporation or of a trustee, employee, or agent of another corporation or of a partnership, joint venture, trust, or other incorporated or unincorporated enterprise, including service with respect to employee benefit plans or trusts, whether the basis of such proceeding is alleged action or inaction in an official capacity as a Director, officer, partner, trustee, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest

extent authorized by the New Mexico Nonprofit Corporation Act as the same exists or may hereafter be amended, against all expenses, liability and loss, including attorneys' fees, judgments, fines, taxes or penalties paid or to be paid in settlement reasonably incurred by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in this Article, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the Board of the Corporation. The Corporation may, by action of its Board, provide indemnification and advance expenses to the employees and agents of the Corporation and others permitted to be indemnified by the New Mexico Nonprofit Corporation Act with the same scope and effect as the foregoing indemnification and advancement of expenses of Directors and officers.

2. Right to Indemnity to Bring Suit.

If a valid claim pursuant to subsection 1 above is not paid in full by the Corporation with ninety (90) days after a written claim has been received by the corporation, the claimant may bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid the expense of prosecuting such claim. It shall be a defense to such action that the claimant has not met the standards of conduct which make it permissible under the New Mexico Nonprofit Corporation Act for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation.

3. Non-Exclusivity.

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Corporation's Articles of Incorporation, Bylaws, agreements, vote of members or disinterested Directors or otherwise.

4. Insurance.

The corporation may maintain insurance, at its expense, to protect itself and any Director, officer, partner, trustee, employee or agent of the Corporation or another corporation, partnership, joint venture, trust, or other incorporated or unincorporated enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the New Mexico Nonprofit Corporation Act.

ARTICLE VIII - RIGHT OF INSPECTION

Any member of the Club shall have the right to inspect the books and records of the Club at any reasonable time. The books and records are not to be removed from the Club House.

ARTICLE IX - AMENDMENT OF BYLAWS

These Bylaws may only be amended by the action of the members. An amendment may be proposed only by a vote of at least two-thirds (2/3) of the members of the Board of Directors, or by a petition presented to the Board, signed by at least fifteen (15%) percent of the eligible membership. The proposed amendment(s), together with copies of the then current Bylaw(s) shall be submitted to the members at an annual meeting or special meeting of the members. The amendment(s) shall be effective upon the certification by the Secretary that a majority of the votes cast (with a quorum present in person or by written proxy) has approved the amendment(s).

ARTICLE X - INTERPRETATIONS OF BYLAWS

1. Ambiguities and Inconsistencies.

In the event of ambiguity in any portion of the Bylaws, or in the case of inconsistency between two or more portions, the Board of Directors shall be empowered to resolve such ambiguity or inconsistency, and its interpretation shall be binding upon all persons concerned subject to any re-interpretation requested by a membership call of special meeting and action taken therein under the provisions of the Bylaws.

2. Gender.

The words “he” and “she” as used in these Bylaws shall be interchanged where meaning or context requires.

ALTO LAKES GOLF & COUNTRY CLUB, INC.

By: _____

Attest:

Secretary