

*Los Cerritos Area Homeowners Association*

*Winter 2025 Update*

Greetings!

The LCAHA board held our winter quarterly meeting on Monday February 10<sup>th</sup>.

First and most importantly, we are looking for a new Treasurer. If you have experience or even just an interest in finances, please reach out to anyone on the board or any of the officers. As an added incentive, the Treasurer does not pay HOA dues!

Much of the discussion revolved around road maintenance. This spring or summer, the asphalt roads will be patched and sealed. In addition, speed bumps will be installed on Camino Cerritos south of the intersection with Camino Estibor, and aprons will be installed at the intersections between cul-de-sacs and Camino Cerritos. These actions were approved after the board meeting, during a special vote.

The board also voted to change the bylaws for clarity. The changes were previously approved, but I did not get them out to the neighborhood in time for a vote during the summer meeting. This year, you can find the updated bylaws and a change summary attached to the email alongside this letter.

Regarding summer meetings and voting, please return your ballots when they go out this summer. Per the bylaws, we must have a certain number of ballots returned so the vote can be valid. I realize that voting for officers who are usually running unopposed does not excite anyone, but we still need folks to vote. Please take 30 seconds to fill out your ballots and simply return them with your HOA dues when they're sent out. Even returning a blank ballot is good enough for us to obtain a quorum.

Finally, recall that the board voted last year to increase dues this year. The new annual dues will come to \$480, with more small increases expected in the years to come.

I hope you all have nice spring!

Maxwell Knarr

LCAHA President

president@loscerritosnm.org

# Summary of Proposed Bylaws Changes

2025 01 11

## Section 17.1

Reason for change:

- Add verbiage to clarify that filing requirements stem from state law
- Remove ambiguous reference to state agencies (no such agencies exist for HOA document filing)

**ARTICLE XVI**  
**AMENDMENTS TO THE BYLAWS**

**Section 17.1** These Bylaws may be altered, amended, repealed, revised, or new Bylaws may be proposed by a majority vote of the entire Board at a Regular or Special meeting of the Board. Notice of a proposed change is to be submitted to the entire Board at least ten (10) days prior to the Regular or Special meeting of the Board. Any changes to the Bylaws proposed by the Board will be presented to the Membership to be ratified by a Quorum vote of all the Members present at the annual General or Special meeting of the Members. Such ratified changes will go into effect immediately upon: ~~posting with a Notary Public of the County of Santa Fe and other appropriate county and state agencies:~~

- a. Being signed by two authorized officers of the corporation per NM Stat § 53-8-12(B) before a notary public
- b. Filing the updated Bylaws and an updated Homeowner Association Notice with the County Clerk per NM Stat § 47-16-2(J) and NM Stat § 47-16-4

Figure 1 – Proposed Change, 17.1

## Section 2.5.1


Reason for change:

- The state law explicitly allows for a lower cost option (HOA Compilation Report) to comply with mandatory financial audits. This option is desirable to reduce HOA operating costs, but unmentioned in the current bylaws.
- A full audit remains a valid option in the event a full audit is deemed necessary
- Referencing state law instead of duplicating it partially or in full is deemed more expedient to avoid discrepancies between bylaws and state law
- A web search for the statute readily retrieves verbiage of the law, but the official copy is found at the following URL:
  - <https://nmonesource.com/nmos/nmsa/en/item/4408/index.do#47-16-10>

**2.5.1 AUDITS.** ~~The Board will engage a neutral Certified Public Accountant (CPA) every three (3) years to conduct an audit of the Association's financial records. Audit results will be kept on file with the Association's financial records and will be made available to all property Owners within thirty days of completion. Financial audits are governed by and will comply with NM Stat § 47-16-10.~~

Figure 2 - Proposed Change, 2.5.1

Reference:

**47-16-10. Financial audit.** 

At least every three years, the board shall provide for a financial audit, review or compilation of the association's records in accordance with generally accepted accounting principles by an independent certified public accountant and shall provide that the cost thereof be assessed as a common expense. The audit, review or compilation shall be made available to lot owners within thirty calendar days of its completion.

Figure 3 – Current state law

**BYLAWS of  
Los Cerritos Area Homeowners Association, Inc.  
A New Mexico Non-Profit Corporation**

**PREAMBLE**

The following are the amended Bylaws of the Los Cerritos Area Homeowners Association, Inc., a New Mexico Non-Profit Corporation, duly adopted by vote of the Board of this Association on July 1, 2025 to regulate the business affairs and operations of the Corporation for the benefit of all property owners.

**ARTICLE I  
CORPORATE OFFICE AND KEY DEFINITIONS**

**Section 1.1** The principal address of the Los Cerritos Area Homeowners Association, Inc. is P.O. Box, 3958, Edgewood, New Mexico 87015. The registered office of this Corporation will be maintained at the same address by filing appropriate notices with the New Mexico Secretary of State's office as required from time to time.

**Section 1.2** Key definitions used throughout the Bylaws:

- 1.2.1** ASSOCIATION. The Los Cerritos Area Homeowners Association, Inc.
- 1.2.2** BOARD. The five (5) person Board of Directors for the Association, who will be Members and elected for two-year terms, and who are assigned the oversight of these Bylaws and all Association Rules and guidance.
- 1.2.3** COMMITTEE. A group of Members of the Association assigned specific duties by the Board in accordance with these Bylaws.
- 1.2.4** DIRECTOR. A member of the Board of Directors.
- 1.2.5** GENERAL MEETING. The Board will call an annual meeting of the Members to elect members of the Board and Officers, and to conduct business of the Association.
- 1.2.6** MEMBER. The title for those property owners who are Members in Good Standing by virtue of their current payment of Association dues, fees, and assessments. This title entitles Members voting rights for all Board and Officer Elections and any other business brought before the Membership for action.
- 1.2.7** OFFICER(S). The four (4) Members of the Association, elected annually, to serve as President, Vice President, Secretary, and Treasurer with duties in accordance with these Bylaws. The President and Vice-President may also serve as members of the Board if elected to do so by the Members.
- 1.2.8** OWNER(S). The title of any property owner within the Los Cerritos Area. All Owners are responsible for payment of Association dues, fees, and assessments to be considered a Member and to be eligible for voting, election to the Board, or as an Officer, or assignment to a Committee. All Owners are required to follow the Declaration of Restrictive Covenants for Los Cerritos Estates for improvements to and maintenance of their property.

**ARTICLE II  
BOARD OF DIRECTORS**

- Section 2.1** GENERAL POWERS. The business and affairs of the Association will be managed by its Board of Directors. They will exercise all necessary and incidental intentions of this Association. Such action will be subject to the provisions of the statutes of the State of New Mexico, the Articles of Incorporation, and these Bylaws.
- Section 2.2** COMPOSITION, QUALIFICATIONS, AND TERMS OF OFFICE. The Board will consist of five (5) Directors who will be Members (property owners in good standing) of the Association and who will serve for terms of two (2) years from the date of their election at the annual General meeting and all elected Directors will assume office as of July 1<sup>st</sup> of the year in which they are elected. Any Director may succeed him/herself.
- Section 2.3** HOW ELECTED. In odd-numbered years, two (2) Directors will be elected, and in even-numbered years, three (3) Directors will be elected. Elections will be by plurality vote of those Members in attendance at the General meeting.
- Section 2.4** BOARD ELECTION PROCEDURES. The Board will publish an Association Rule titled “Election Procedures” and it will be posted on the Association website. The Election Procedures will describe the method of nomination of Board and Officer candidates, the voting process for those candidates, the method of tally of the votes, and the announcement of the results of the election. The Election Procedures may not contain any provisions inconsistent with state statutes or the remainder of these Bylaws.
- Section 2.5** DUTIES AND POWERS. The Board will have control and management of the business and affairs of the Association. The Board will appoint and employ, discharge and set the compensation of all employees and outside agents of the Corporation. The Directors may adopt such rules and regulations for the conduct of their meetings and the management of the Association as they deem proper, consistent with state statutes or the remainder of these Bylaws.
- 2.5.1** AUDITS. Financial audits are governed by and will comply with NM Stat § 47-16-10.
- Section 2.6** REGULAR MEETINGS. Regular meetings of the Board will be held at least once during each quarter as called by the President, and such other times and places as he/she, or the Board acting jointly, deems necessary.
- Section 2.7** SPECIAL MEETINGS. Special meetings of the Board may be called by the President at any time. The President must, upon a written request of any two (2) Directors, call a Special meeting to be held not more than ten (10) days after the receipt of such request.
- Section 2.8** NOTICE OF MEETINGS AND LOCATION. Notice of all meetings of the Board, Regular or Special, will be posted on the Association website and at the mailboxes located within the Association at least ten (10) days prior to the meetings. Minutes of these meetings will be posted on the Association website at least ten (10) days after each meeting. Directors will be notified of meetings by the President by email at least ten (10) days prior to meetings. Locations of all meetings will be either in the Los Cerritos area or in close proximity to the Town of Edgewood.
- Section 2.9** ALTERNATIVE MEETINGS OF THE BOARD. In the event a formal physical meeting of the Board to conduct Association business is not practical, an alternative meeting format will be provided to the Board to conduct business. This may include an electronic platform that allows members of the Board to participate in and vote at the meeting.
- Section 2.10** QUORUM. A majority of the five (5) Directors will constitute a quorum for the transaction of business at any Regular or Special meeting of the Board. A quorum, once attained at a meeting, will be deemed to continue until adjournment notwithstanding a voluntary withdrawal of enough Directors to leave less than a quorum. The act of the majority of the Directors present at a meeting at which a quorum is present will

be the considered the act of the Board of Directors, unless the act of a greater number is required by state statute, the Articles of Incorporation; or as otherwise specifically set forth in these Bylaws.

**Section 2.11** PRESUMPTION OF ASSENT. A Director who is present at a meeting of the Board at which action on any Association business is taken will be presumed to have assented to the action taken unless dissent is entered in the minutes of the meeting or unless a written dissent to such action is filed with the Secretary after the adjournment of the meeting. Such right to dissent will not apply to a Director who voted in favor of such action.

**Section 2.12** VACANCY AND RESIGNATION. In the event of a vacancy on the Board due to resignation or other reason, and there is more than six (6) months remaining on that Director's term, the remaining Directors will call a Special meeting of the Members to elect a Member to fill such vacancy for the remainder of the term of the Director whose position has become vacant. For any vacancy of six (6) months or less, the Board may appoint a Member to fill the position until the end of that term. Any Director who chooses to resign must provide a written notice (letter or email) of the resignation to the Secretary for record; the resignation will be considered effective upon receipt of the notice unless stated otherwise.

**Section 2.13** REMOVAL OF DIRECTORS. Members may seek the removal of one (1) or more Directors by submitting a Request for Removal petition including the name, address, and signature of Members desiring the removal and stating the names of Directors to be removed and the reason(s) for removal signed by at least twenty-five percent (25%) of Members (owners in good standing). Upon receipt of the petition, the President will call a Special meeting of the Members within ten (10) days by notice on the Association website, mailboxes, and email to all Members whose current email addresses are on file. The Secretary will collect the names of those Directors subject to a removal vote, pass out and collect ballots from the Members, and tally and announce the results, including posting on the Association website within ten (10) days of this meeting. One (1) or more Directors may be immediately removed from office by a vote of at least 67% of the Members. Should the vote be less than 50% of Members in favor of removal, the Director(s) will continue in office. Should at least 50% of Members not attend this Special meeting, no vote may be taken and action on the Request for Removal petition will be postponed until the next General meeting, provided that/those Directors still have time remaining in their term.

**2.13.1** ACTING PRESIDENT. In the event that all Directors are removed by this process and if the Directors removed include the President and Vice President of the Association, the Secretary will become acting President until the next General meeting or a Special meeting called to replace the Board, whichever may happen first, within thirty (30) days from the removal vote.

**Section 2.14** Board Member Formal Certification. Directors must complete a Board Member Formal Certification pursuant to NMSA 1978, Section 47-16-7, as amended, within 90 days of taking office. This certification, is to be maintained on file for no less than five (5) years.

### **ARTICLE III OFFICERS**

**Section 3.1** OFFICERS. The Officers of this Association will consist of a President, a Vice President, a Secretary, and a Treasurer.

**Section 3.2** ELECTION AND TERM. All Officers of the Association will be elected annually by the Members in attendance during the General meeting to be chaired by the outgoing President. All elected Officers term of office will be one (1) year, or until a successor has been duly elected, and all elected Officers will assume office as of July 1<sup>st</sup> of each year. Any Officer may succeed him/herself by election.

**Section 3.3** DUAL SERVICE AND RESTRICTIONS. The President and Vice President may also be elected as a Director; however, their term as an Officer will only be one (1) year, unless re-elected by the Members at the General meeting. No Officer may serve in more than one office at the same time unless the provisions of Section 2.13.1 apply.

- Section 3.4** VACANCIES OF OFFICERS. A vacancy in any office caused by death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term, except as provided in Section 3.4.1 below. Vacancies will be filled at the next meeting of the Board.
- 3.4.1** VACANCY-PRESIDENT. In the event the office of President becomes vacant, for whatever reason, the Vice President will immediately assume the office for the remainder of the unexpired term.
- 3.4.2** VACANCY-VICE PRESIDENT, SECRETARY, OR TREASURER. In the event of a vacancy in the office of the Vice President, Secretary, or Treasurer, the Board will have the power, at its next meeting, to appoint a qualified Member to assume the office for the remainder of the term.
- Section 3.5** REMOVAL. Any Officer may be removed for non-performance of duties as outlined in these Bylaws by the Board whenever, in its judgment, the best interest of the Association will be served. Such removal will be without prejudice to the contract rights, if any, of the person removed. Election or appointment of an Officer will not, of itself, create any contract rights. If a sitting President or Vice President is removed from office and they are also serving on the Board, they will continue as a member of the Board unless they choose to resign under the provisions of Section 2.12 or are otherwise removed from the Board pursuant to Section 2.13 of these bylaws.
- Section 3.6** OFFICER DUTIES. Each Officer will perform the duties prescribed by these Bylaws, and any parliamentary duties of such Officer set forth in the adopted Parliamentary Authority (as defined in Article XV below), and such other duties as may be specified, from time to time, by resolution of the Board.
- Section 3.7** DUTIES OF THE PRESIDENT. The President will be the principal executive Officer of the Association and, subject to the control of the Board of Directors, will generally supervise and control all of the business and affairs of the Association.
- 3.7.1** The President will preside at all meetings of the Members and will preside at all meetings of the Board.
- 3.7.2** The President will present at each annual meeting of the Members and at each quarterly meeting of the Board, a report of the condition of the business of the Association.
- 3.7.3** The President will call Regular and Special meetings of the Members and Board in Accordance with the requirements of state statutes and these Bylaws.
- 3.7.4** The President will generally supervise all employees and agents of the Association.
- 3.7.5** The President, with the Secretary or any other Officer of the Corporation, as required and duly authorized by the Board, will sign and execute all contracts in the name of the Association and all deeds, mortgages, bonds, contracts, notes, drafts or other orders for the payment of money, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof will be expressly delegated by the Board of Directors or by these Bylaws to some other Officer or agent of the Corporation, or will be required by state statute to be otherwise signed or executed.
- 3.7.6** The President will cause all books, reports and statements to be properly kept and filed as required by law.
- 3.7.7** The President will enforce these Bylaws and perform all the duties incident to the office or which are required by state statute or other law, and perform such duties as may be prescribed by the Board.

**3.7.8** Upon taking office, the President will register with the State Corporation Commission as the registered agent of the Corporation within thirty (30) days.

**3.7.9** If desired, the President may appoint a Parliamentarian.

**3.7.10** The President will be an ex-officio member of all Committees.

**Section 3.8** DUTIES OF THE VICE PRESIDENT. The Vice President will perform such duties as from time to time may be assigned by the President or by the Board. During any absence of the President or in the event of the President's inability to act, the Vice President will perform the duties of the President and, when so acting, will have all the powers and be subject to all the responsibilities of the office of President.

**Section 3.9** DUTIES OF THE SECRETARY. The Secretary will keep the agendas and minutes of the meetings of the Board and the minutes of the General or Special meetings of the Members and will post such minutes on the Association website within 10 days of these meetings.

**3.9.1** The Secretary will see that all notices are duly published in accordance with the provisions of state statutes, Articles of Incorporation, and these Bylaws.

**3.9.2** The Secretary will be custodian of the records and seal (if any) of the Association and, if required, will affix the seal to corporate papers and documents when duly authorized.

**3.9.3** The Secretary will keep records containing the names, alphabetically arranged, of all persons who are property owners in the Association, and including their mailing addresses, emails, telephone numbers, and number of lots held by them respectively, and the dates when they became the Owners of record thereof (closing date). The Secretary will keep all records (agenda, minutes, and other documents) of the Association available for inspection within the limits prescribed by law. At the request of the person entitled to an inspection thereof, the Secretary will prepare and make available the requested records.

**3.9.4** The Secretary will attest to the execution of instruments on behalf of the Corporation by an Officer thereof, and the Secretary will affix the Corporate seal to such instruments on behalf of the Corporation when required and duly authorized.

**3.9.5** The Secretary will maintain all correspondence, and present to the Board at its meetings all official communications received.

**3.9.6** The Secretary will, in general, perform all duties incident to the office of Secretary assigned by the President or by the Board.

**Section 3.10** DUTIES OF THE TREASURER: The Treasurer will have the care and custody of and be responsible for all the funds and securities of the Association, and will deposit such funds and securities in the name of the Association in such banks, trust companies or other depositories designated by the Board.

**3.10.1** Subject to financial guidance provided by the Board, the Treasurer or the President will prepare, sign, and endorse in the name of the Association all checks, drafts, notes, and other orders for the payment of money and receive and give receipts for monies due and payable to the Association from any source whatsoever and deposit all such monies in the name of the Association within two (2) weeks of receipt.

**3.10.2** The Treasurer will keep accurate records of all financial transactions and will, upon ten (10) working days' notice, allow any Owner or authorized representative access to appropriate records at a time and place agreeable to the Treasurer and Owner/representative.

**3.10.3** The Treasurer will make a report of the condition of the finances of the Association at each regular meeting of the Board and at the annual General meeting of the Members. Additionally,

the Treasurer will prepare the annual budget for presentation to the Members at the Annual General meeting.

- 3.10.4** The Treasurer will further perform all duties incident to the office of the Treasurer of the Association or that may be assigned by the President or by the Board.
- 3.10.5** If required by the Board of Directors, the Treasurer will give such bond for the faithful discharge of the duties provided herein in such sum and with such surety or sureties as the Board of Directors may determine.
- 3.10.6** The Treasurer will keep financial records containing the names, alphabetically arranged, of all persons who are property owners in the Association, and including their mailing addresses, emails, telephone numbers, and number of lots held by them respectively, and the dates when they became the Owners of record thereof (closing date). At the request of the person entitled to an inspection thereof, the Treasurer will prepare and make available the requested records.

**Section 3.11** The Treasurer is a standing member of the Budget, Finance, and Insurance Committee.

#### **ARTICLE IV COMMITTEES**

**Section 4.1** STANDING COMMITTEES. There shall be three (3) Standing Committees in this Association – the Architectural Control Committee; the Budget, Finance, and Insurance Committee; and the Roads Development and Maintenance Committee.

**Section 4.2** ARCHITECTURAL CONTROL COMMITTEE. This committee’s duty and responsibility is to preserve the architectural and landscaping integrity of the Association, to preserve and improve the landscape, grounds, and other common areas of the Community, and to oversee the implementation of a community watch program for the security of the Association. They will employ such assistance, with the approval of the Board, as is necessary to carry out these assignments. This committee will share responsibility with the Roads Development and Maintenance Committee for property owner’s compliance with provisions of the Declaration of Restrictive Covenants for Los Cerritos Estates.

**Section 4.3** BUDGET, FINANCE, AND INSURANCE COMMITTEE. This committee’s duty and responsibility is to review, investigate and/or audit the Corporation financial and business records periodically as required by state statute, or at the request of the President or the Board, and to submit their findings to the Board. They will consider and recommend appropriate action to be taken by the Treasurer and the Board on all financial matters. They will annually prepare a proposed budget for the following fiscal year of the Association, and will submit it to the Board for consideration. They will employ such assistance, with the approval of the Board, as is necessary to carry out these assignments. The Treasurer of the Association will be a standing member of this committee.

**Section 4.4** ROADS DEVELOPMENT AND MAINTENANCE COMMITTEE. This committee’s duty and responsibility is to develop and maintain Association roads and gates for public ingress and egress throughout the Los Cerritos Area. They will employ such assistance, with the approval of the Board of Directors, as is necessary to carry out these assignments. This committee will share responsibility with the Architectural Control Committee for property owner’s compliance with the provisions of the Declaration of Restrictive Covenants for Los Cerritos Area.

**Section 4.5** APPOINTMENT OF COMMITTEE CHAIRPERSONS AND TERM. As soon as possible after the General meeting of Members, the newly elected President will appoint Members to serve as Chairperson of the three (3) Standing Committees for a period of one (1) year. Chairpersons and members of Special Committees will serve for a period of time as designated by the President or Board.

**Section 4.6** CHAIRPERSON. The Chairperson of each committee will select, from the Association membership, Members to complete his/her Committee and to assist in carrying out the various functions of the



Committee, with deliberate care and consideration given to committee requirements and the knowledge and experience of persons selected. One member of each committee will be designated to act as secretary by the Chairperson. Members may participate on more than one Committee at a time. Members of the Board may also serve on more than one Committee.

- Section 4.7** VACANCY-CHAIRPERSON. Any Chairman may resign his/her position as such by written notice (letter or email) to the Secretary and resignation will be effective upon receipt of the notice unless otherwise indicated. Any Chairperson may be removed for cause as determined by the Board. In the event of a vacancy in the position of Chairperson of a Standing, or Special Committee, the President will appoint a qualified Member in good standing to fill the vacancy for the remainder of the term.
- Section 4.8** COMMITTEE PROCEDURES. All committees will be responsible for creating, establishing, and subsequently reviewing, maintaining, and preserving written operating procedures, policy statements, and records relative to their areas of responsibility.
- Section 4.9** OTHER COMMITTEES. The Board, by action approved by a majority of the Directors, may designate the President, Vice President, Secretary, and Treasurer as an Executive Committee to develop Association Rules and necessary policy statements, and may form other Special Committees as necessary for such time as is necessary to complete their assigned tasks. The designation of any such committee and the delegation thereto of authority will not relieve the Board, or any Director, of any responsibility or fiduciary duty imposed by the law. Chairs and membership of these committees will be appointed in the same manner as Standing Committees (Sections 4.5 and 4.6 above).
- Section 4.10** PUBLIC NOTICE OF COMMITTEE MEETINGS. Committee chairs are responsible for the public posting of all committee meetings on the Association website three (3) days prior to the meeting and posting minutes of the meeting to the Association website of the meeting at least ten (10) days after the meeting.
- Section 4.11** ALTERNATIVE MEETINGS OF COMMITTEES. In the event a formal physical meeting of a Committee to conduct Association business is not practical, an alternative meeting format will be provided to committee members to conduct business. This may include an electronic platform that allows committee members to participate in and vote at the meeting.
- Section 4.12** CONSENTS. Any action required by the Non-Profit Corporation Act to be taken at a meeting of the Directors of the Corporation, or any action which may be taken at a meeting of the Directors, or of a committee, may be taken without a meeting if a consent in writing setting forth the action so taken will be signed by all of the Directors, or all of the members of the committee, as the case may be. The consent will have the same effect as a unanimous vote.

## **ARTICLE V MEMBERS MEETINGS**

- Section 5.1** ANNUAL GENERAL MEETING. An annual business meeting of the Association to elect members of the Board of Directors and Officers, and for the transaction of other business relative to the affairs of this Association, will be held on a date during the month of June each year as determined by the Board at a location in close proximity to the Town of Edgewood. If there is a lack of quorum at this meeting, election of Directors and Officers and any business before the meeting will be rescheduled at a Special meeting called by the Board within thirty (30) days; current Directors and Officers will remain in office until a quorum is in attendance at the Special meeting.
- Section 5.2** SPECIAL MEETINGS. Special meetings of Members, for any purpose, unless otherwise prescribed by state statute, may be called by the President or by the Board, and shall be called by the President at the request of at least twenty-five percent (25%) of all Members who have presented a signed petition stating the reason for the meeting. The petition must include printed name, address, and signature of each participating member. All meetings will be held in close proximity to the Town of Edgewood.

- Section 5.3** NOTICE OF MEETING. Written notice stating the place, day and hour of the meeting and, in case of a Special meeting, the purpose or purposes for which the meeting is called, will be delivered not less than ten (10) days before the date of the meeting, either by mail, email, and/or public notice (website, flyers posted at the mailboxes) to each Member entitled to vote at the meeting.
- Section 5.4** FIXING OF RECORD DATE FOR THE GENERAL MEETING. For the purpose of determining Members in Good Standing entitled to vote at any meeting of Members or any adjournment thereof, or in order to make a determination of Members for any other purpose, the Board may provide that the books will be closed for at least ten (10) business days immediately preceding the General meeting.
- Section 5.5** VOTING LIST. The Treasurer of the Association will prepare, at least ten (10) days before the General meeting or any Special meeting of Members, a complete list of the Members entitled to vote at the meeting for election or other Association business arranged, in alphabetical order, with the address of and the number of lots held by each. This list, once prepared, will be kept on file by the Treasurer and will be available for review by any property owner at a time and place mutually agreeable to the Treasurer and interested owner. The list will also be available for review during the General meeting or any Special meeting at which a vote of Members will be required. This list will be considered the prima facie evidence as to who are the Members entitled to vote in any election or for any Association business conducted at these meetings. Failure to fully comply with the requirements of this section does not affect the validity of any action taken at the meeting.
- Section 5.6** QUORUM OF MEMBERS. Twenty-five percent (25%) of the Members, represented in person or by proxy, will constitute a Quorum at the annual General meeting or at any Special meeting called to conduct business of the Association (except as required for Section 2.13). A Quorum, once attained at a meeting, must remain in effect in order to call a vote in elections or to vote on any other Association business; if a Quorum is not present for either action, no vote or other business which requires Member approval may take place. Once a Quorum of Members is confirmed to be present, the affirmative vote of a majority of the Members represented at the meeting will be sufficient to conduct and approve business; a plurality or greater of the Quorum will be sufficient to elect Directors and Officers. If less than twenty-five percent (25%) of the Members are present at a meeting, indicating a lack of Quorum, the President may call upon the Members present to adjourn for the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was called.
- Section 5.7** PROXIES. At all meetings of Members, a Member may vote by proxy. The proxy must be in writing, signed, and dated. A separate proxy is required for each lot owned. Proxies will be valid for the meeting for which they are executed, but for no longer than thirty (30) days. Any Member giving a proxy has the power to revoke it by giving notice to the Association in writing or orally in an open meeting before any vote taken. A member who attends a meeting and casts a vote in-person automatically voids any proxy designation the member may have previously made for that meeting.
- Section 5.8** ALTERNATIVE MEETINGS OF MEMBERS. In the event a formal physical meeting of the Members to conduct Association business is not practical, an alternative meeting format will be provided to the Members to conduct business. This may include an electronic platform that allows Members to participate in and vote at the meeting.

## ARTICLE VI OWNERS AND MEMBERS

- Section 6.1** QUALIFICATIONS AND ENTITLEMENTS. Each property Owner of a lot with the Los Cerritos Area will have the ability to become a Member (in good standing) of the Association upon current payment of Association dues, fees, assessments, fines and other obligations of the Association. While all Owners are invited to attend Members meetings to observe Association business, only Members will be entitled to vote at all Members meetings where Association business, including elections for the Board and Officers, is conducted.

**Section 6.2 VOTING.** Each Member will be entitled to one (1) vote per lot for each lot in which such Member owns an interest qualifying him or her as a Member; provided, however, that in no event will more than one (1) vote be cast with respect to any lot. When more than one Member owns an interest in a lot, the vote for such lot will be exercised as they, among themselves, may determine, consistent with Section 6.2.1 below. The Member who will be voting on behalf of that lot will notify the Treasurer prior to the meeting. An owner who is not a Member is not entitled to vote.

**6.2.1 JOINT OWNER VOTES.** The voting rights for each lot may not be cast on a fractional basis. In the event that the joint Owners of a lot, who are also Members of the Association, are unable to agree among themselves as to how their voting rights will be cast, they will forfeit such voting rights as to the matter in question. If any Member cast the voting rights of a particular lot without protest by any other joint Owners, it will, thereafter be conclusively presumed for all purposes that he/she, or they, were acting with the authority and consent of the other Owners of the same lot. In no event will more than one (1) Member be entitled to cast a vote for a particular lot, and only the first vote cast for a lot will be counted.

## **ARTICLE VII CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**Section 7.1 CONTRACTS.** Subject to the provisions regarding Prohibited Contracts, the Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be confined to specific instances.

**7.1.1 CONTRACTS WITH INSIDERS.** A Director or Officer of the Association will not be disqualified by his/her office from dealing or contracting with the Association either as a vendor, purchaser, or otherwise; nor will any transaction or contract of the Association be void or voidable by reason of the fact that any Director or Officer or any firm of which any Director or Officer is a member, stockholder, officer or director, is in any way interested in such transaction or contract; provided that such transaction or contract is or will be authorized, ratified, or approved either by a vote of a majority of the Board Directors. Nor will any Director or Officer be liable to account to the Association for any profits realized by or from or through any such transaction or contract authorized, ratified, or approved as herein provided by reason of the fact that he, or any firm of which he is a member, stockholder, officer or director, was interested in such transaction or contract. Nothing herein contained will create liability in the event above described or prevent authorization or approval of such contracts in any manner permitted by law.

**7.1.2 ABSTAINING FROM VOTE.** Any interested Director will abstain from any votes on a matter affecting that Director's pecuniary interests.

**Section 7.2 LOANS.** No loans will be contracted on behalf of the Association and no evidences of indebtedness will be issued in its name unless authorized by a resolution of a majority of the Board and approved by a Quorum of the Members at a Members meeting.

**Section 7.3 CHECKS, DRAFTS, ETC.** All checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Association, will be signed by the Treasurer or the President, or as otherwise determined by the Board.

**Section 7.4 DEPOSITS.** All funds of the Association, not otherwise employed, will be deposited at least twice monthly to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

**ARTICLE VIII  
SHARES OF STOCK**

**Section 8.1** The Association will not have or issue shares of stock and no dividends will be paid. Non-Transferable Certificates of Membership may be issued at the discretion of the Board.

**ARTICLE IX  
POWERS AND DUTIES**

**Section 9.1** **POWERS OF THE ASSOCIATION.** The Association will have all the powers of a Non-Profit Corporation organized under the laws of the State of New Mexico. All powers will be exercised as directed by the Board or the Members as provided by state statutes, the Articles of Incorporation, the Declaration of Restrictive Covenants, these Bylaws, and any Association Rules. The Association will have the power to do any and all lawful things including, without limitation, the following:

**9.1.1 ASSESSMENTS AND INCREASES.** The Association, through the Board, will have the power to establish, fix and levy assessments in the form of general assessments, dues, fines for nonpayment of assessments or dues, and special assessments against the Owners of lots and to enforce payment of such assessments, all in accordance with the provisions of state statute, the Declaration of Restrictive Covenants, and these Bylaws. Members, at the annual General meeting, will have the right to vote to approve/disapprove an annual budget requiring an increase in assessments from the prior year in excess by a factor greater than five percent (5%).

**9.1.2 ENFORCEMENT OF COVENANTS; DISPUTE RESOLUTION.** The Association and each lot owner and the owner's tenants, guests and invitees shall comply with the Homeowners Association Act and the Association's community documents.

**A.** Unless otherwise provided for in the community documents, the Association may, after providing written notice by letter or email and an opportunity to dispute an alleged violation other than failure to pay assessments (under Section 9.1.1):

(1) levy reasonable fines for violations of or failure to comply with any provision of the community documents to include the Declaration of Restrictive Covenants and any Association Rules; and

(2) suspend, for a reasonable period of time, the right of a lot owner or the lot owner's tenant, guest or invitee to use common areas and facilities of the Association.

**B.** 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. If the Board or committee approves the fine or suspension, the effective date of such will be the date of approval. Notice and a hearing are not required for violations that pose an imminent threat to the public health or safety of the Association.

**C.** If a person against whom a violation has been alleged fails to request a hearing or submit a written statement as provided for in Subsection B of this section, the fine or suspension may be imposed, calculated from the date of violation.

**D.** 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 or allowed by the community documents.

**9.1.3** ATTORNEY FEES AND COSTS. A court may award attorney fees and costs to any party that prevails in a civil action between a lot owner and the Association or declarant based upon any provision of the declaration or Bylaws; provided that the declaration or Bylaws allow at least one party to recover attorney fees or costs. The Association reserves the right to recover such fees and costs.

**9.1.4** ASSOCIATION RULES AND POLICY STATEMENTS. The Board will have the power to adopt, amend, and repeal reasonable rules to regulate Association actions to be termed "Association Rules". The Rules will not conflict with or materially alter any provisions of state statute, the Articles of Incorporation, the Declaration of Restrictive Covenants, or these Bylaws, and in the event of conflict between any such Rules and any provisions of the above, the provisions of the above will prevail.

**A. FORMULATION.** The Board will have the power to formulate such Association Rules as they deem proper to supplement, but not conflict with, these Bylaws.

**B. ADOPTION/RESCISSION.** Association rules may be adopted or rescinded by a majority vote of the Board at any Regular or Special meeting of the Board. Notice of a proposal of new Association Rule, or an amendment or rescission thereof, is to be submitted to the Board for adoption, and will be given to each of the Directors at least ten (10) days prior to such Regular or Special meeting.

**C. NOTIFICATION TO THE MEMBERSHIP.** At the annual General meeting, all adoptions or rescissions of Association Rules for the prior year will be presented to the membership for information.

**Section 9.2** DUTIES OF THE CORPORATION. The Association will have the obligation to conduct all business affairs of common interest to all Owners and, without limiting the generality of the foregoing, to perform each of the duties set by these Bylaws or other community documents.

**Section 9.3** FINANCIAL REPORTS. The financial statements for the Association, consisting of the proposed annual budget, the Association financial report, and the President's annual report, will be prepared and distributed to all Members at the annual General Meeting. In addition, a quarterly financial report will be submitted to the Board by the Treasurer. This report will include, but not be limited to, the receipts and disbursements for the previous accounting period. These quarterly reports will also be available to the owners upon request to the Treasurer who will respond within the provisions of Section 3.10.2.

**Section 9.4** ANNUAL REPORT SUBMISSION. The Board will prepare and submit an Annual Report to be submitted to the New Mexico Secretary of State's office no later than May 15<sup>th</sup> of each year according to state statute. This document will remain on file with the Association for a period of no less than five (5) years.

## ARTICLE X ASSOCIATION SEAL

**Section 10.1** The Board may provide a corporate seal which will be circular in form and will have inscribed thereon the name of the Association, the State of incorporation and year of incorporation, and the words "Corporation Seal" or "Seal". No instrument will lack validity because of not having the corporate seal affixed.

**ARTICLE XI  
INDEMNIFICATION AND LIABILITY**

**Section 11.1** INDEMNIFICATION. The Association will indemnify any and all persons who may serve or who have served at any time as Directors or Officers or Committee Chairs, or who, at the request of this Association, may serve or at any time have served, as Director or Officer of another corporation in which this Association owns shares of the capital stock or of which this Association is or may be a creditor, and their respective heirs and personal representatives against any and all costs and expenses which may be imposed upon or incurred by him in connection with or resulting from any claim, action, suit, or proceeding in which such person may be involved by reason of his being or having been a Director or Officer of this Corporation, or of such other corporation at the time such costs and expenses are imposed or incurred. As used herein, the term "costs and expenses" will include, but will not be limited to, counsel fees, fines, penalties and amount of judgments entered or amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by any such Director, Officer or Committee Chair, other than the amounts paid to the Corporation itself; provided, however, that no such Director or Officer will be indemnified in any action, suit, or proceeding in which he will admit or be adjudged liable for his own gross negligence or willful or reckless misconduct in the performance of his/her duty. The foregoing rights of indemnification will not be deemed exclusive of any other rights to which such Director, Officer, or Committee Chair may otherwise be entitled.

**Section 11.2** LIABILITY. No member of the Board or of any committee, nor any Officer of the Association, nor the Managing Agent(s) if any, nor other agent of the Association, will be personally liable to any Owner, or to any party, including the Association, for any damage, loss, or prejudice suffered or claimed on the account of any act, omission, error, or negligence of any such person or entity in his, hers, or its capacity as such; provided that such person or entity has upon the basis of such information as may be possessed by him, her or it, acted in good faith without willful, reckless, grossly negligent or intentional misconduct

**ARTICLE XII  
BOOKS AND RECORDS**

**Section 13.1** This Association will keep correct and complete books and records of the accounts and will also keep minutes of the proceedings of its Members, Board of Directors, and Committees having and exercising any authority of the Board. Each appropriate Officer and Committee Chair will maintain all records for their areas. A record of the names, addresses, and telephone numbers of all Owners, the number(s) of the lot(s) held by them respectively, and the date when they respectively became Owners of record thereof (closing date) will be maintained jointly by the Secretary and Treasurer.

**13.1.** Books and records of the Association may be inspected by any owner, or a duly authorized representative, upon ten (10) business days written notice (letter or email) to the Board and may be copied or audited at the requesting owner's expense which shall not exceed 10 cents per page.

**13.1.2** Directors will have the absolute right at any reasonable time to inspect all books, records, and documents of the Association.

**ARTICLE XIII  
FISCAL YEAR**

**Section 14.1** The Board of Directors will have the authority to set and change the fiscal year of the Corporation.

**ARTICLE XIV  
WAIVER OF NOTICE**

**Section 15.1** Whenever any notice is required to be given under the statutes of the State of New Mexico, or under the provisions of the Articles of Incorporation or the Bylaws of the Association, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated herein, will be deemed equivalent to the giving of such notice.

**ARTICLE XV  
PARLIAMENTARY AUTHORITY**

**Section 16.1** The rules contained in Roberts Rules of Order, Newly Revised, will govern the proceedings of this Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special Rules of Order that this Association may adopt.

**ARTICLE XVI  
AMENDMENTS TO THE BYLAWS**

**Section 17.1** These Bylaws may be altered, amended, repealed, revised, or new Bylaws may be proposed by a majority vote of the entire Board at a Regular or Special meeting of the Board. Notice of a proposed change is to be submitted to the entire Board at least ten (10) days prior to the Regular or Special meeting of the Board. Any changes to the Bylaws proposed by the Board will be presented to the Membership to be ratified by a Quorum vote of all the Members present at the annual General or Special meeting of the Members. Such ratified changes will go into effect immediately upon:

- A.** being signed by two authorized officers of the corporation per NM Stat § 53-8-12(B) before a notary public and
- B.** filing the updated Bylaws and an updated Homeowner Association Notice with the County Clerk per NM Stat § 47-16-2(J) and NM Stat § 47-16-4