

**BYLAWS  
OF  
DOS ARROYOS SUBDIVISION HOMEOWNERS ASSOCIATION**

**Article 1 - Name**

The name of the corporation is DOS ARROYOS SUBDIVISION HOMEOWNERS ASSOCIATION, hereinafter referred to as the Association. The principal office of the corporation shall be located at 630 Paseo del Pueblo Sur, Suite 160, Taos, New Mexico 87571, but meetings of Members and Directors may be held at such places within the State of New Mexico, Town of Taos, County of Taos, as may be designated by the Board of Directors.

**Article 2 - Definitions**

**Section 2.1. Association:** DOS ARROYOS SUBDIVISION HOMEOWNERS ASSOCIATION, its successors and assigns.

**Section 2.2. Declarant:** Dos Arroyos Limited Liability Company, a New Mexico Limited Liability Company, its successors and assigns.

**Section 2.3. Declaration:** the Declaration of Easements, Covenants, Conditions and Restrictions of Dos Arroyos Subdivision recorded in Book M-421 at Pages 362-374, Records of Taos County, New Mexico, as amended, from time to time.

**Section 2.4. Easements:** shall mean all easement real property interests owned by the Association for roads, drainage, trails, utilities and open space for the common use and enjoyment of the Owners, where indicated on the Plat (hereinafter defined).

**Section 2.5. Lot:** any plot of land shown upon the Subdivision Plat of Dos Arroyos Subdivision, filed in Plat Cabinet D, and Amended April 30, 2003, and filed for record in Plat Cabinet D at Page 197B, as further amended in two Survey Plats both dated January 9, 2007, both filed for record in Plat Cabinet E at Page 124B, and as further amended June 17, 2008, and filed for record in Plat Cabinet E at Page 151-B, all in the Records of Taos County, New Mexico, as further amended, from time to time (the "Plat"), with the exception of the Easements.

**Section 2.6. Member:** those persons entitled to Membership as provided in the Declaration, as Amended, from time to time. The Association has two classes of voting membership:

**Class A.** Class A Members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot Owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they amongst themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

**Class B.** The Class B Members shall be the Declarant who shall be entitled to three (3) votes for each Lot owned by the Declarant. The Class B Membership shall cease and be converted to Class A Membership when the total votes outstanding in Class A equals seventy-five (75%) percent of the total votes.

**Section 2.7. Owner:** the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 2.8. Property:** that certain real property described on Exhibit "A" attached hereto and hereby made a part hereof, as Amended, from time to time.

### Article 3 - Meeting of Members

**Section 3.1. Annual Meetings.** The first Annual Meeting of the Members shall be held within one year from the date of incorporation of the Association on the Saturday of Memorial Day Weekend, and each subsequent regular Annual Meeting of the Members shall be held in the same month of each year thereafter. If the day for the Annual Meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

**Section 3.2. Special Meetings.** Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Membership.

**Section 3.3. Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or via email, at least thirty (30) but not more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

**Section 3.4. Quorum.** The presence at the meeting of Members entitled to cast, or of proxies entitled to cast fifty-one (51%) percent of the votes of each class of Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, as Amended, from time to time, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

**Section 3.5. Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary, and may be communicated via email. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. Votes may be transmitted by email.

## Article 4 - Board of Directors: Selection; Term of Office

**Section 4.1. Number.** The affairs of this Association shall be managed by a Board of five (5) Directors.

**Section 4.2. Term of Office.** At the first annual meeting, one (1) year after the date of Incorporation, the Members shall elect one (1) Director for a term of one year, one (1) Director for a term of two years, and one (1) Director for a term of three years; and at each annual meeting thereafter the Members shall elect successor Directors for terms of three years each.

**Section 4.3. Removal.** Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board of Directors and shall serve for the unexpired term of his predecessor.

**Section 4.4. Compensation.** No Director shall receive compensation for any service he may render to the Association unless employed by the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

**Section 4.5. Action Taken Without a Meeting.** The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## Article 5 - Nomination and Election of Directors

**Section 5.1. Nomination.** Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members, to serve from the close of such Annual Meeting until the close of the next annual meeting and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

**Section 5.2. Election.** Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration, as Amended, from time to time. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## Article 6 - Meeting of Directors

**Section 6.1. Annual Meetings.** The first Annual Meeting of the Directors shall be held within one year from the date of incorporation of the Association, and each subsequent regular Annual Meeting of the Directors shall be held on the Saturday of Memorial Day weekend and on the same day in each year thereafter. If the day for the Annual Meeting of the Directors is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

**Section 6.2. Regular Meetings.** Regular meetings of the Board of Directors shall be held calendar quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

**Section 6.3. Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

**Section 6.4. Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

## Article 7 - Powers and Duties of the Board of Directors

**Section 7.1. Powers.** The Board of Directors shall have power to:

- a. adopt and publish Rules and Regulations governing the use of the Easements, Open Space and trails, and the personal conduct of the Members and their guests thereon, and to establish fines and/or penalties for the infraction thereof;
- b. suspend the voting rights and right to use of the Easements, Open Space and trails, of any Member during any period in which such Member shall be in default in the payment of any assessment levied and/or fines by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

- c. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- d. declare the office of a Member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- e. employ a manager, independent contractors, and/or such employees as they deem necessary, and to prescribe their duties; and,
- f. upon the signature of two Directors, issue Association checks for over \$500.00.

**Section 7.2 Duties.** It shall be the duty of the Board of Directors to:

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. fix the amount of the annual assessment and any special assessment against each Lot at least thirty (30) days in advance of each assessment period;
- d. set reasonable and appropriate fines for violation of any provision of the Declaration.
- e. send written notice of each assessment to every Member subject thereto at least thirty (30) days in advance of each annual assessment period;
- f. enforce and/or foreclose the lien against any property for which assessments and penalties or fines are not paid within sixty (60) days after due date or to bring an action at law against the owner personally obligated to pay the same as provided hereinafter in Article 11 hereinafter;
- g. issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment and/or fine has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- h. procure and maintain adequate liability and hazard insurance on property rights owned by the Association;
- i. cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- j. cause the Easements and sewer lift station to be maintained and repaired, as necessary; and,
- k. enforce the Declaration.

## Article 8 - Officers and Their Duties

**Section 8.1. Enumeration of Officers.** The Officers of this Association shall be a President and Vice-president, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create.

**Section 8.2. Election of Officers.** The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

**Section 8.3. Term.** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

**Section 8.4. Special Appointments.** The Board of Directors may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**Section 8.5. Resignation and Removal.** Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 8.6. Vacancies.** A vacancy in any Office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

**Section 8.7. Multiple Offices.** The Offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article 8.

**Section 8.8. Duties.** The duties of the Officers are as follows:

- a. **President** - The President shall preside at all meetings of the Board of Directors and at all meetings of the Membership; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- b. **Vice President** - The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c. **Secretary** - The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.
- d. **Treasurer** - The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual review of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

### Article 9 - Committees

The Board of Directors of the Association shall implement and enforce the Dos Arroyos Subdivision Design Guidelines, as amended, from time to time, as provided in the Declaration, as amended, from time to time. The Board of Directors shall appoint a Nominating Committee and a Landscaping Committee, all as provided in these Bylaws. The Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose. At least two (2) members of the Board of Directors shall be on each Committee.

### Article 10 - Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, as Amended, from time to time, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at

reasonable cost.

## Article 11 - Assessments

As more fully provided in the Declaration, as Amended, from time to time, each Member is obligated to pay to the Association annual and special assessments and/or fines which are secured by a continuing lien (until payment) upon the property against which the assessment is made and/or the fine is levied. Any assessments and/or fines which are not paid when due shall be delinquent. If the assessment and/or fine is not paid within sixty (60) days after the due date, the assessment and/or fine shall bear interest from the date of delinquency at the rate of five (5%) percent per annum above the Base Rate of Interest then being charged by Centinel Bank of Taos, to its largest credit-worthy commercial borrowers, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment and/or fine. No Owner may waive or otherwise escape liability for the assessments and/or fines provided for herein by nonuse of the Easements, Open Space and trails, or by abandonment of his Lot.

## Article 12 - Corporate Seal

The Association shall have a seal in circular form having within its circumference the words:  
DOS ARROYOS SUBDIVISION HOMEOWNERS ASSOCIATION.

## Article 13 - Amendments

**Section 13.1.** These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of fifty-one (51%) percent of the Members of the Association, present in person or by proxy.

**Section 13.2.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration, as amended, from time to time, and these Bylaws, the Declaration, as amended, from time to time, shall control.

## Article 14 - Indemnification

Each person who was or is made a party or is threatened to be 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 Association or while a Director of the Association is or was serving at the request of the Association as a Director, Officer, trustee,



employee or agent of another corporation, trust or other incorporated or unincorporated enterprise, whether the basis of such proceeding is alleged action or inaction in an official capacity as a Director, Officer, trustee, employee or agent or in any other capacity while serving as a Director, Officer, trustee, employee or agent shall be indemnified and held harmless by the Association to the fullest extent authorized by the New Mexico Non-profit Corporation Act as the same exists or may hereafter be amended. All such persons shall be indemnified and held harmless by the Association against all expense, liability and loss (including attorney's fees, judgments, fines, taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection with the indemnified action or inaction 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.

The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the Association the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by a Director or officer in his or her capacity as a Director or officer of the Association in advance of the final disposition of a proceeding, shall be made only upon delivery to the Association of an undertaking, by or on behalf of such Director or Officer, to repay all amounts so advanced if it shall ultimately be determined that such Director or Officer is not entitled to be indemnified under this Article or otherwise. The Association may, by action of its Board of Directors, provide indemnification and advance expenses to employees and agents of the Association and others permitted to be indemnified by the New Mexico Non-profit Corporation Act with the same scope and effect as the foregoing indemnification and advancement of expenses of Directors and Officers.

If a valid claim pursuant to the above provisions of this Article is not paid in full by the Association within ninety days after a written claim has been received by the Association, the claimant may at any time thereafter bring suit against the Association 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 any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Association) that the claimant has not met the standards of conduct which make it permissible under the New Mexico Non-profit Corporation Act for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the New Mexico Non-profit Corporation Act, nor an actual determination by the Association (including its Board of Directors or independent counsel) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

The right to indemnification and payment of expenses incurred in defending a proceeding the 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 Association's Articles of Incorporation, Bylaws, agreement, or otherwise.

The Association may maintain insurance, at its expense, or provide alternative financial arrangements including but not limited to providing a trust, letter of credit or self-insurance to protect itself and any Director, officer, trustee, employee or agent of the Association or another venture, trust or other incorporated or unincorporated enterprise against any such expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the New Mexico Non-profit Corporation Act.

### Article 15 - Miscellaneous

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

**In Witness Whereof**, we, being the President and the Secretary of DOS ARROYOS SUBDIVISION HOMEOWNERS ASSOCIATION, have hereunto set our hands this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Ted DiPadova, President

\_\_\_\_\_  
Jerry Bley, Secretary

### CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the DOS ARROYOS SUBDIVISION HOMEOWNERS ASSOCIATION, a New Mexico Nonprofit Corporation.

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_ day of \_\_\_\_\_, 2010.

**In Witness Whereof**, I have hereunto subscribed my name and affixed the seal of said Association this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Jerry Bley, Secretary

## **Bylaws of Dos Arroyos Subdivision Homeowners Association**

**Article 6 – Meeting of Directors shall be replaced in its entirety by the following:**

**Section 6.1. Annual Meetings.** The first Annual Meeting of the Director shall be held within one year from the date of incorporation of the Association, and each subsequent regular Annual Meeting of the Directors shall be held on a day in the month of May or June as determined by the Board of Directors.