As Amended August 30, 2014

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# BYLAWS
# OF
# YOUNG SPRING ROAD PROPERTY OWNERS ASSOCIATION

## ARTICLE I

The YOUNG SPRING ROAD PROPERTY OWNERS ASSOCIATION purpose is to provide oversight for activities associated with the properties along Young Spring road. Place of business shall be determined by its Directors.

## ARTICLE II

Seal

None

## ARTICLE III

Calendar Year

The calendar year of the association shall begin on the first day of January in each year.

## ARTICLE IV

Membership

SEE ADDENDUM I FOR DESCRIPTION OF MEMBERS

Section 1. In addition to the listed members in Addendum I, any natural persons, who are bona fide occupants and residents within and in the vicinity of Young Spring Road, county of Otero, New Mexico, being reasonably accessible to the water system of the association and who are in need of water for domestic purposes and who are approved by the Board of Directors may be admitted to membership upon application therefore and the payment of a membership fee in the amount of $ 500.00. All costs to access the water system will be the responsibility of the requesting party. The Board of Directors may wave subject fee. No application for membership shall be approved under this Section, if the capacity of the association's water system is exhausted by the needs of its existing members. In the event of a shortage of water, the association shall take appropriate measures.

Section 2. All applications for membership shall be passed on by the board of directors. Applications for or subscriptions to membership in this association shall be in the form

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approved and provided by the board of directors. Membership shall not be denied because of the applicant's race, color, creed, national origin, or sex.

Section 3. All the rights, privileges and obligations of all members of this association shall be equal, provided that a member's right to delivery of water and the amount thereof shall be based upon the allocation via the State Engineers allocation via the Spring Road water allocation and the distribution system of the association.

Section 4. Each member, as defined in Article V, Section 6, shall be entitled to one vote only. Voting by proxy will not be permitted. Voting by mail or email will be permitted as provided in the following section.

Section 5. At any time that a schedule of the matters proposed to be presented for action at a meeting of the members is definitely known in advance of such meeting, the Secretary-Treasurer shall send to each of the members a copy of such proposed schedule with the notice of said meeting. Any member who is not present and voting at such meeting may cast his/her vote to the Secretary-Treasurer in such time that it is received not later than the time of the holding of the meeting, as specified in the notice thereof. All such votes by mail so received will be counted in the same manner and to the same effect as votes cast in person by members in attendance at the meeting. In no event shall the voters casting their ballots by mail be counted in determining a quorum as set out in Section 4 of Article V herein.

## ARTICLE V

### Meeting of Members

Section 1. The annual meeting of the members of this association shall be held at a place to be determined by a majority agreement of existing directors, Otero County, State of New Mexico, each year.

Section 2. Notice of meetings of the members of the association, both regular and special, shall be given by a notice mailed or emailed to each member of record, directed to the address shown upon the books of the association, at least ten (10) days prior to the meeting. Such a notice shall state the nature, time, place and purpose of the meeting.

Section 3. Special meetings of the members of the association may be called at any time by the President, or upon resolution of the board, signed by ten (10%) percent of the members. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat, except such as is specified in the notice.

Section 4. A majority of the total membership of the association shall constitute a quorum at any meeting of the association for the transaction of business.

Section 5. The order of business at the regular meetings will be conducted per the Roberts Rules of Order.

Section 6. A voting member is defined as one (1) vote per household.

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## ARTLCLE VI

### Directors

Section 1. Functions of the Board of Directors. The business and affairs of this association shall be managed by a board of five (5) directors. The functions of such board shall include: (1) The selection of and delegation of authority to officers necessary for the management of the association business; (2) The determination of policies for guidance of the management of the association; (3) The control of expenditures by authorizing budgets; (4) The keeping of members fully informed of business of the association; (5) The causing of audits to be made from time to time as is necessary or required; (6) The studying of the requirements of members and promoting good membership regulations; (7) The prescribing of the form of Membership Certificates; and (8) The establishing of water and/or road fees and the levying of assessments, the enforcement and collection thereof, and the establishment and enforcement of restrictive convents in accordance with the provisions of these bylaws, equitable uniform rules and regulations and the Laws of the State of New Mexico.

Section 2. Election and Term of Board Members. The first board of directors, consisting of those named in the board minutes shall serve until their successors are elected and have been qualified. At the first annual meeting of the members, one director shall be elected for a term of one year; two directors for a term of two years; and two directors for a term of three years. At each annual meeting thereafter, the members shall elect for a term of three years the number of directors whose terms of office have expired. Each director shall hold office for a term for which he/she is elected and until his/her successor shall have been elected and qualified. The board of directors shall be selected from the membership of the association.

Section 3. The Board of Directors shall meet as soon as possible after the holding of the annual election of directors, and in any event within ten (10) days of that time, and shall elect by ballot a President, Vice-President, Secretary, Treasurer, and one Director at Large from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation, or for cause.

Section 4. Compensation of Officers. The members of the board of directors shall receive no compensation for their services as directors.

Section 5. Meeting the Board of Directors. In addition to the annual meeting, the board shall hold meetings at such regular intervals as the board may determine. A majority of the board present in person at any meeting shall constitute a quorum for the conduct of business thereat.

Section 6. Powers of the Board of Directors. The board of directors shall have the general power to act for the association in any manner not prohibited by Statute or the bylaws of this association. If the association shall, at any time, borrow or receive by way of grant, any property of the United States, through any of its agencies, the board of directors shall pursue such management methods, including accounting and audits, as such agency may prescribe.

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Section 7. Vacancies. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors, though less than a quorum shall by a majority vote, choose a successor who shall hold office until the next regular meeting of the members of the association, at which time the members shall elect a director for the unexpired term or terms, providing that in the call of such regular meeting a notice of such election shall be given.

Section 8. Removal of Directors and Officers. Any director or officer of the association may be removed from office with cause, by a vote of not less than two-thirds (2/3) of the members of the association present at any annual meeting, or at any special meeting. The director or officer shall be informed in writing of the charges against him at least ten (10) days before such meeting and at such meeting shall have the right and opportunity to be heard in person or by counsel and to present witnesses in his/her behalf. A vacancy caused by any such removal shall be filled by the vote provided in these bylaws for election of directors. Employees or agents, other than directors and officers, may be removed from office or employment at any time by actions of the board of directors.

Section 9. Maximum Number of Serving Household Members Serving on the Board. There shall be no more than one member from same household serving on the Board at the same time.

Section 10. Maximum Expenditure without Board Approval. The maximum expenditure without Director's approval shall be no more than $200.00.

## ARTICLE VII

### Duties of Officers

Section 1. Duties of the President. The President shall preside over all meetings of the association and the board of directors shall call special meetings of the board of directors and perform all acts and duties usually performed by an executive and presiding officer. He/She shall sign all membership certificates, notes, bonds, mortgages, contracts and other instruments on behalf of the association. He/She shall be an ex-officio member of all standing committees and shall have such powers and shall perform such other duties as may be properly required of him by the board of directors.

Section 2. Duties of the Vice-President. The Vice-President, in the absence or unavailability of the President, shall perform the duties of the President. However, in case of death, resignation or disability of the President, the board of directors may declare the office vacant and elect his successor, to fill the unexpired portion of the president's term.

Section 3. Duties of the Secretary. The Secretary shall keep a complete record of all meetings of the association and of the board of directors and shall have general charge and supervision of the records of the association. He/she shall attest the President's signature on all membership certificates and other papers pertaining to the association unless otherwise directed by the board of directors. He/she shall serve, mail, or deliver all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to his/her office to the members at the annual meeting, or at such other time or times as the board of directors may require. He/she shall keep a proper

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membership certificate record, showing the name of each member of the association arid date of issuance, surrender, transfer, termination, cancellation or forfeiture. He/She shall make all reports required by law and shall perform such other duties as may be required of him/her by the association or the board of directors. Upon the election of his/her successor, the Secretary shall turn over to him/her all books and other property belonging to the association that he/she may have in his/her possession.

Section 4. Duties of the Treasurer. He/she shall collect all assessments and monies due the association and deposit same in the depository designated by the board of directors, and shall disburse funds on the proper order of the board of directors and shall make a report on the business transacted by him/her as requested. Upon the election of his/her successor, the Treasurer shall turn over to him/her all books and other property belonging to the association that he/she may have in his/her possession. Where possible, internal controls should be implemented to protect the Treasurer and safeguard the assets of the association. Internal controls may be defined as: dual authorization for disbursements of funds, periodic mailings of the financial condition to association members, independent financial statement audits, etc.

Section 5. Other Employees or Agents. The board of directors may appoint in addition to the officers named above, a foreman and other agents or employees whom may be necessary to superintend the water and/or road system of the association and its construction, maintenance and repair. Such agents or employees may be authorized by the board of directors under its direction and pursuant to its rules and regulations to maintain the water system and/or road for the members of the association. Such agents or employees shall be paid a compensation for the performance of their duties in an amount to be determined by the board of directors.

## ARTICLE VIII

### Water and Road Charges, Assessments, and Distribution of Water

Section 1. Water shall not be delivered by the systems of the association, except to users who are members of the association. No service connections in excess of one shall be approved for any member or made pursuant to this section when the full capacity of the association's system(s) is needed to serve the existing connections. All member service taps for each residence, which has water allocated via the State Engineer, Young Spring Road water allocation from the Moser Spring will be metered and quarterly water usage data will be provided to the Association secretary. The meter housed in the pump house will be maintained by the Association. Each water connection or connecting member will pay for, install and maintain the water meter at their respective connection and provide the quarterly reading to the Secretary.

Section 2. The board of directors shall establish an annual fee schedule to be charged the members for services provided by the association. The established fee schedule shall apply to each service by an approved fee schedule in effect. Annually the board of directors shall review the established fee schedule of charges to assure that sufficient income will be generated for the coming year to cover anticipated expenses. This

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determination shall be based on the previous year's actual expenses and the estimated budget for the coming year.

Section 3. There are three types of service connections within the association. Type I. A yearly operation and maintenance fee will be assessed those members allocated water, via the State Engineer Spring Road water allocation from the Moser Spring, and who have an active service tap utilizing water from the association distribution system along Young Spring Road. Type II. A yearly system maintenance and repair fee will be assessed those members' allocated water, via the State Engineer Spring Road water allocation from the Moser Spring, and who have a non-active service tap on the association distribution system along Young Spring Road. Type III. A yearly water association fee will be assessed those members allocated water, via the State Engineer Spring Road water allocation from the Moser Spring and who utilize water from the Moser Spring, but do not utilize a water tap from the association distribution system along Young Spring Road.

Section 4. If at any time within ninety (90) days prior to the end of the fiscal year, it appears in the judgment of the board of directors that the amount derived, or which will be derived, from the collection of water fees during any fiscal year will be insufficient to pay, when due, all costs incident to the operation of the association's water system(s) and the payment of all debts of the association, the board shall make and levy an assessment against the members of the association so that the total amount reasonably expected to be collected from water fees to fully pay, when due, all cost of administration, operation, maintenance, repair, replacement and repayments on indebtedness, or other expenses of the year's operation of the association.

A proportionate amount of the necessary total of such water assessments levied in any year shall be levied against each member in an amount which bears the same relation to the total assessment as the number and type of service connections serving such members, bears to the total number of type service connections with the water system of the association.

Section 5. Notwithstanding the rights of the association to terminate the membership of a delinquent member, the association, through its board of directors, shall have the additional rights to terminate the supply of water to the delinquent member after thirty (30) days written notice by mail of the delinquency, and also assess a $250 fee or 10% of the past due amount, whichever is greater. A reconnection fee will be determined by the board.

Section 6. The board of directors shall establish an annual fee for Young Spring Road maintenance and repair. The Young Spring road maintenance and repair annual fee is determined by the board of directors. When Young Spring Road maintenance and repair is required, as determined by the board of directors, a proportionate amount of the necessary total of such Young Spring Road repair/maintenance levied in any year shall be levied against each owner member along Young Spring Road in an amount which bears the same relation to the total assessment as the number of members of the association who have an address along Young Spring Road. Owner of #1 Young Spring Road will not be assessed an annual road fee.

6a. Property owners along Young Spring Road who have a Young Spring Road easement on their property but do not have water allocation via the State Engineer Spring

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Road water allocation from the Moser Spring, may become a member of the Young Spring Road Property Owners Association with voting rights on road matters only. Potential members must request membership, in writing, with their Young Spring Road property being subject to road bylaws/rules of the Association. Membership is subject to the Association Board of Directors approval and the annual association membership fee. Subject members do not have voting rights on any water matters of the Young Spring Road Property Owners Association. Subject membership shall be a Type IV membership.

6b. Property owners along Young Spring Road who have a Young Spring Road easement on their property but do not have water allocation via the State Engineer Spring Road water allocation from the Moser Spring, may become a member of the Young Spring Road Property Owners Association with no voting rights. Potential members must request membership, in writing, with their Young Spring Road property being subject to road by laws/rules of the Association. Subject members do not have voting rights on matters associated with the Young Spring Road Property Owners Association. Subject membership shall be a Type V membership.

Section 7. If at any time within ninety (90) days prior to the end of the fiscal year, it appears in the judgment of the board of directors that the amount delivered, or which will be delivered, from the collection of road repair/maintenance fees during any fiscal year will be insufficient to pay, when due, all costs incident to the maintenance and repair of Young Spring Road, and the payment of all debts of the association, the board shall make and levy an assessment against the members of the association so that the total amount reasonably expected to be collected from road fees to fully pay, when due, all costs of administration, operation, maintenance, repair and repayments on indebtedness, or other expenses of the years operation of the association.

## ARTICLE IX

Section 1. Form of Certificate. The board of directors shall determine the form of membership certificate and the same shall be signed by the President and his/her signature attested by the Secretary, provided that the form of certificate, in addition to any other matters required by the board of directors to appear therein, shall contain the statements as required by the Laws of the State of New Mexico.

Section 2. Transfer of Membership. Certificates of membership may be transferred and the transfer noted on the books of the association, provided that the right to transfer of membership shall be subject to preference right of the association to purchase such membership as provided by the Laws of New Mexico, and also provided in the event of disposal of the membership too a transferee, said transferee is subject to approval by a majority vote of the board of directors.

Section 3. Recall of Member's Holdings. Surplus funds may be used by the board of directors to recall at par value, the holdings of any member in excess of the amount requested for membership. If any member has failed to patronize the association during the period of 365 days, the board of directors may use the surplus funds to recall all of said member's holdings, whereupon he/she shall be expelled from the association and

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cease to be a member of the association. When so recalled, such membership certificates shall be either reissued or canceled.

Section 4. Expulsion. A member may be expelled in the manner provided by the Laws of New Mexico, under which this association was formed and incorporated.

## ARTICLE X

### Distribution of New Savings

Section 1. Although this association is a non-profit association for the mutual benefit of its members and it is not intended to be operated in such a way as to accumulate funds in excess of those necessary for the operation of the system of the association, at least once each year the board of directors, in the event it is determined that funds have been accumulated in excess of those necessary for the operation of the association, shall apportion such surplus funds among the members of the association in the following order:

a. Not less than (10%) percent shall be placed in a surplus fund until such time the fund shall equal to at least fifty (50%) percent of the paid up capital;

b. A portion of the remainder, in the amount of $ 250 shall be allocated to an educational fund to be used in teaching cooperation.

c. The remainder shall be allocated at the same uniform rate to all patrons of the association in proportion to their individual, patronage, provided that in the case of a member patron, his proportionate amount of savings return shall be distributed to him.

## ARTICLE XI

### Amendments

These bylaws may be repealed or amended by a vote of two-thirds (2/3) of the members voting at any regular meeting of the association, or at any special meeting of the association called for the purpose, except that so long as any indebtedness is held by or guaranteed by the Rural Development, the members shall not have the power to change the purpose of the association and so as to decrease its rights and powers under the laws of the State, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the association or its members, or so to amend the bylaws as to effect a fundamental change in the policies of the association without the prior approval of the Rural Development in writing.

## ARTICLE XII

### Restrictive Covenants

Section 1. The following only applies to members who have addresses along Young Spring Road.

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1. Property is to be used for residential use only, one single family home, and minimum 900 square feet construction.
2. No recreational vehicles or temporary structures allowed with the exception of construction period. Temporary structures or one recreational vehicle allowed for period of and not to exceed one year. Board of Directors may approve one year extensions on a case-by-case basis.
3. No mobile homes allowed.
4. Only one outside (or storage) building allowed on each tract, excluding garage or carport.
5. No junk, garbage, refuse, obnoxious or offensive material shall be stored on property.
6. Only State-approved septic systems allowed. No cesspools.
7. Only domestic or household pets allowed. Domestic pets will not be allowed to run loose. Leash laws will be followed. No horses or other animals classified as livestock are allowed.
8. No outdoor toilets allowed, except during construction.
9. No brush or trash burning except in compliance with State fire regulations. No dumping of fireplace or wood stove ashes allowed.

I, Linda J. Smith, Secretary of the of the YOUNG SPRING ROAD PROPERTY OWNERS ASSOCIATION, an association existing under the Law of New Mexico, hereby certify that the above is a true and correct copy of the bylaws, together with all amendments thereto, as of this 30th day of August, 2014, at the annual business meeting held in Cloudcroft, New Mexico.

Linda J. Smith
Secretary

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**ADDENDUM I**

Young Spring Road Property Owners Association Membership List

Property description

1. Section 2 Description TR IN N1/2-Parcel #12-16533
2. Section 2 Description TR IN N1/2-Parcel #12-16532
3. Section 2 Description TR IN N1/2- Parcel #12-17285
4. Section 2 Description TR IN N1/2-Parcel #12-16508
5. Section 2 Description TR IN N1/2-Parcel #12-16535 and Parcel #12-16531
6. Section 2 Description TR IN N1/2-Parcel #12-16640
7. Section 2 Description TR IN N1/2-Parcel #12-16507
8. Section 2 Description TR IN N1/2-Parcel #12-16707
9. Section 2 Description TR IN N1/2-Parcel #12-16641
10. Section 2 Description TR IN N1/2-Parcel #12-16510
11. Section 2 Description TR IN N1/2-Parcel #12-16530
12. Section 2 Description TR IN N1/2-Parcel #12-16518
13. Section 2 Description TR IN N1/2-Parcel #12-16509
14. Section 2 Description TR IN N1/2-Parcel #12-16506
15. Section 2 Description TR IN N1/2-Parcel #12-07286

Remote connections

1. Section 2 Description TR IN N1/2 Lots 10 and 11 Parcel #12-08007
2. Section 2 Description TR IN N1/2 Lots 5, 10, 11-Parcel #12-07921
3. Section 2 Description TR IN N1/2 Lots 6 and 7-Parcel #12-07464

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## INDIVIDUAL ACKNOWLEDGMENT

State/Commonwealth of New Mexico
County of Otero } ss.

On this the 8th (Day) day of September (Month), 2015 (Year), before me, Jennifer Skaggs (Name of Notary Public), the undersigned Notary Public, personally appeared Linda J. Smith (Name(s) of Signer(s)),

| | personally known to me – **OR** –

X proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same for the purposes therein stated.

WITNESS my hand and official seal.

OFFICIAL SEAL
JENNIFER SKAGGS
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 5.15.18

Jennifer Skaggs
Signature of Notary Public

Jennifer Skaggs
Other Required Information (Printed Name of Notary, Residence, etc.)

Place Notary Seal and/or Any Stamp Above

### OPTIONAL

*Although the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

Top of thumb here

**Description of Attached Document**

Title or Type of Document: Bylaws of Young Spring road Property owners association

Document Date: 8-30-14 Number of Pages: 10

Signer(s) Other Than Named Above: None

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