

**BYLAWS
OF
SUGARLOAF MOUNTAIN OWNERS' ASSOCIATION, INC.**

**ARTICLE 1
NAME, LOCATION AND PURPOSE OF THE ASSOCIATION**

The name of the corporation is Sugarloaf Mountain Owners' Association, Inc. (referred to as the "Association"). The principal office of the Association shall be located at the residence of the Secretary of the Association.

Section 1.1: Purpose of the Association The purpose for which the Association is organized is to provide for the ownership and maintenance of the roads serving the Subdivision, for ownership and maintenance of the community parcels as shown by the Plat of the Subdivision, to enforce the Declaration, to engage in any lawful activities which are determined by the Association to be in the best interest of the Association, the Members, or the Subdivision, and to promote the health, safety, and welfare of the Members.

Section 1.2: Compliance with State Law. The Association was established and vested with the powers prescribed by law and set forth in the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions. New Mexico State Law (§§47-16-1) which may be cited as the "Homeowner Association Act" or HOA, enacted in 2013, is hereby incorporated by reference into these Bylaws, as if the Act were set forth in full herein.

**ARTICLE 2
DEFINITIONS**

"Assessments" means all regular and special assessments levied by the Association upon Lots pursuant to the terms of the Declaration.

"Association" means and refers to Sugarloaf Mountain Owners' Association, Inc., and its successors and assigns.

"Board" means the Board of Directors of the Association.

"Declarant" means Sugarloaf Mountain, LLC, a New Mexico limited liability company, and the successors and assigns of its rights and powers hereunder.

"Declaration" means the Declaration of Covenants, Conditions and Restrictions for Sugarloaf Mountain Subdivision, filed of record in the office of the County Clerk of Catron County, New Mexico on August 24, 1998, at Book 97, Page 845 - 855. The Declaration is incorporated by reference into these Bylaws, as if the Declaration were set forth in full herein.

"Default Rate" means a rate of interest equal to the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law.

"Director" means a member of the Board.

"Lot" means any numbered lot as shown on the Subdivision plat for the Property.

“**Member**” or “**Members**” means a member or members of the Association, including the Declarant so long as the Declarant is the Owner of one or more Lots.

“**Occupant**” shall mean:

(a) each tenant who resides on the Property and the invitees, licensees, guests, and members of the immediate family of each tenant who resides on the Property; and,

(b) each Owner who resides on the Property and the invitees, licensees, guests and members of the immediate family of each Owner who resides on the Property.

“**Owner**” means a record holder of beneficial or equitable title and legal title if legal title has merged with the beneficial or equitable title, to the fee simple interest in any Lot. Owner shall not include: (a) a Person having an interest in a Lot merely as security for the performance of an obligation; or (b) a tenant of a Lot.

“**Person**” means a natural person or a corporation, limited liability company, partnership, joint venture, trust, or any other legal entity.

“**Phase**” means a portion of the Subdivision indicated as a "phase" on the plat for the Subdivision.

“**Property**” means the real property comprising the Subdivision.

“**Subdivision**” means the subdivision of the Property, as shown on the plat for Sugarloaf Mountain Subdivision, filed of record in the office of the County Clerk of Catron County, New Mexico, on August 24, 1998, as Plat Slide B-196, including the roads within the Subdivision and any common areas shown on the Subdivision plat

ARTICLE 3 **MEMBERS**

Section 3.1: Membership and Voting Rights in the Association. Every Owner shall be a Member. By acceptance of a deed to a Lot or by becoming an Owner of a Lot, whether by execution and delivery of a real estate contract therefor with the Declarant or otherwise, a Person, and the Person's heirs, personal representatives, successors, transferees and assigns, shall automatically be and become a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Only Owners shall be qualified to be Members. The Association shall have one class of Members. Each Member shall be entitled to one vote for each Lot owned by that Member with respect to each issue upon which a Member is entitled to vote; provided, however, in the event that more than one Person is the Owner of any Lot, the vote of such Owners shall be exercised as a majority of the co-owners among themselves determine. In no event shall more than one vote be cast with respect to any Lot concerning any particular issue being voted upon by the Members, nor may the vote attributable to any Lot be split or fractionalized. In the event a majority of co-owners of a particular Lot are unable to timely agree upon the manner to vote on a particular issue, their right to vote on that issue shall be deemed to have been waived. A Member shall not be entitled to vote upon any matter coming up for vote by the Members while: (a) there remains unpaid any Assessment due from the Member to the Association with respect to any Lot owned by the Member, or (b) there exists an uncured violation of the Restrictions with respect to any Lot owned by the Member, and written notice of such violation has been mailed to the Member by the Association or the Declarant along with a request or demand by the Association or the Declarant that the Member cure or correct the

violation, or (c) the Member has failed to cure a default pursuant to a real estate contract held by the Declarant concerning a Lot owned by the Member, after having been given written notice of such default according to the terms of the real estate contract.

Section 3.2: Annual Meetings. Annual meetings of Members for the election of directors to the Board and for such other business as may be stated in the notice of the **meeting, or** as may properly come before the meeting, shall be held at such places, within or without the State of New Mexico, and at such times and dates, as the Board may designate. If the Board fails to so determine the time, date and place of the meeting, the annual meeting of Members shall be held at the principal office of the corporation on the second Saturday of **January** at 2:00 p.m. each year, beginning with 1999.

Section 3.3: Special Meetings. Special meetings of the Members may be called at any time by the President, by a majority of the Board, or by a Member or group of Members in good standing owning at least 100 Lots.

Section 3.4: Notice of Meetings. Written notice stating the place, date and time of the meeting and the general nature of the business to be considered shall be sent to each Member entitled to vote at the Member's address as it appears on the records of the Association, not less than ten (10) days nor more than fifty (50) days before the meeting.

Section 3.5: Quorum. The presence at a meeting of Members, in person or by proxy, constituting at least thirty percent (30%) of the Members entitled to vote shall constitute a quorum of the Members. If the required quorum is not present at a particular meeting, another meeting of the Members may be called and the required quorum of Members at the subsequent meeting shall be one half of the required quorum at the preceding meeting which did not have a quorum of Members present. Notice of the subsequent meeting of the Members need not be mailed to the Members if the place, date and hour of the subsequent meeting are announced at the adjourned meeting which did not have a quorum of members present.

Section 3.6: 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. Every proxy shall be revocable and shall automatically cease upon transfer by the Member of the Lot for which the proxy was given.

ARTICLE 4 **DIRECTORS**

Section 4.1: Number. The number of Directors shall be no fewer than one and no more than five individuals. The Directors shall be elected at the annual meeting of Members and each Director shall be elected to serve until Board member's successor shall be elected and is qualified to serve on the Board. Unless otherwise prohibited by law, Directors may also serve as officers of the Association.

Section 4.2: Meetings. Meetings of the Board may be held within or without the state of New Mexico, and upon not less than three (3) days written or verbal notice. Notice requirement may be waived by any Director that did not receive notice. A majority of Directors shall constitute a quorum. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if a written consent thereto is signed by all Directors, and such written consent is filed with the minutes of the proceedings of the Board.

Section 4.3: Increase in Number. The number of Director may be increased by amendment of these Bylaws by the affirmative vote of a majority of the Directors or by the affirmative vote of the majority of the Members at the annual meeting or at a special meeting called for that purpose, and by like vote, the additional directors may be chosen at such meeting to hold office until the next annual election or until their successors are elected and qualified, whichever occurs first.

Section 4.4: Compensation. No Director shall receive compensation for any service the Director may render as such to the Association. Any Director may be reimbursed for their actual expenses incurred in the performance of duties as Director.

Section 4.5: Removal. Any Director may be removed from the Board, with or without cause, by a vote of the majority of the Members voting on the issue, in person or by proxy, at a meeting held for that purpose. In the event of death, resignation or removal of a Director, the Director's successor shall be selected by the remaining Directors and shall serve for the remainder of the term of the former Director and until the Director's successor shall be duly chosen and qualified for office.

Section 4.6: Resignation. Any Director may resign any time. Such resignation shall be made in writing; and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make the resignation effective.

Section 4.7: Vacancies. If the office of any Director becomes vacant, the remaining Directors in office, though less than a quorum, may by a majority vote appoint any qualified person to fill such vacancy, with such appointed Director to hold office for the remainder of the term of the former Director and until the Director's successor shall be duly chosen and qualified for office.

Section 4.8: Powers of the Board. The Board shall be responsible for the supervision, control and direction of the affairs of the Association, shall execute the policies and decisions of the Members, shall actively carry out the Association's purposes, and shall have discretion in the disbursement of funds. The Directors shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the Association as they may deem proper, provided such rules and/or regulations are not inconsistent with the Articles of Incorporation and Bylaws of the Association, the Declaration, or the laws of the State of New Mexico. In connection with the exercise of its power, the Board shall have the power to:

Section 4.8.1: Exercise for the Association all powers, duties and authority vested or delegated to this Association.

Section 4.8.2: Employ a manager, an independent contractor, or such other employees as the Board deems necessary, and to prescribe their duties.

Section 4.8.3: Enforce the provisions of the Declaration for the Subdivision; provided, however, that nothing herein shall be construed as prohibiting an individual Lot Owner from pursuing whatever individual independent enforcement actions such Lot Owner may have.

Section 4.9: Duties of the Board. It shall be the duty of the Board to:

Section 4.9.1: Cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the Members at the annual meeting of the Members.

Section 4.9.2: Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

Section 4.9.3: Fix the amount of the Assessments, and increase the Assessments when deemed necessary by a majority vote of the Members, as is provided in the Declaration, send written notice of each Assessment to every Member, collect any unpaid Assessments from the Owner owing the Assessment, enforce the lien against any Lot for which the Assessment is unpaid and is overdue.

Section 4.9.4: Enforce the provisions of the Declaration; provided, however, that nothing herein shall be construed as prohibiting an individual Lot Owner for pursuing whatever individual independent enforcement actions that may be available to such Lot Owner.

ARTICLE 5 **OFFICERS AND THEIR DUTIES**

Section 5.1: Enumeration of Officers. The Officers of the Association shall be a President, Vice President, Secretary and Treasurer plus other officers as the Board may from time to time by resolution create. Unless otherwise prohibited by law, officers may also serve as Directors.

Section 5.2: Election of Officers. The election of Officers shall take place at the first meeting of the Board held after each annual meeting of the Members.

Section 5.3: Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer shall resign, is removed from office, or otherwise is disqualified to serve as officer.

Section 5.4: Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board, the President or 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 the resignation effective.

Section 5.5: Vacancies. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 5.6: Duties. The duties of the Officers are as follows:

Section 5.6.1: President. The President shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, shall sign all approved leases, mortgages, deeds and other written instruments and perform such other duties as may be required by the Board.

Section 5.6.2: Vice President. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and perform such other duties as may be required by the Board.

Section 5.6.3: Secretary. The Secretary shall record the votes and keep the minutes of meetings and proceedings of the Board and meetings of the Members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members together with their addresses, and shall perform such other duties as may be required by the Board.

Section 5.6.4: 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, keep proper books of account, and perform other duties as may be required by the Board.

ARTICLE 6 **ASSESSMENTS**

Each Member/Owner is obligated to pay an Assessment, as provided by the Declaration. The regular annual assessment is fixed by the Declaration, unless and until changed by the vote of the Members, pursuant to Section 3.1 of the Declaration. The Association may use the Assessments it collects in order to fund performance by the Association of its duties and purposes, as provided in the Articles of Incorporation, these Bylaws, and the Declaration.

ARTICLE 7 **ENFORCEMENT OF DECLARATION, BYLAWS**

Section 7.1: Enforcement of Covenants pursuant to HOA §47-16-18

A. Each association and each lot owner and the owners' tenants, guests and invitees shall comply with the Homeowners Association Act and the association's community documents.

B. Unless otherwise provided for in the community documents, the association may, after providing written notice and an opportunity to dispute an alleged violation other than failure to pay assessments:

(1) levy reasonable fines for violations of or failure to comply with any provision of the community documents; and

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

C. Prior to imposition of a fine or suspension, the board shall provide an opportunity to submit a written statement or for a hearing before the board or a committee appointed by the board by providing written notice to the person sought to be fined or suspended fourteen days prior to the hearing. Following the hearing or review of the written statement, if the board or committee, by a majority vote, does not approve a proposed fine or suspension, neither the fine nor the suspension may be imposed. Notice and a hearing are not required for violations that pose an imminent threat to public health or safety.

D. 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 C of this section, the fine or suspension may be imposed, calculated from the date of violation.

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

Section 7.2: Notice of Violation. The Board of Directors will provide written notice stating the violation(s). The Board will also provide a hearing date on which the Member must appear before the Board regarding the violation(s). The hearing date will be set at least fourteen (14) days subsequent to the date the written notice is provided to the Member. If the Member disagrees with the Board's interpretation of the violation the Member must dispute the violation by providing a written statement to the Board on or before the date of the hearing, or in person by attending the hearing. Only the specific Member(s) alleged to be in violation, and the Board, may attend the hearing.

After the hearing, or a review of the Member's written dispute, the Board will determine whether it will impose a sanction in accordance with the "Fine and Lien Policy", set forth in Article 8, with regard to the Member's violation.

If the Board imposes a fine, the Fine Schedule will be followed. If fines are unpaid, a lien will be filed on the affected lots due to the violation and failure to pay fines or remedy the violation(s).

If the Board does NOT impose a fine, the minutes of the Board will include the Notice of Violation, the Member's response to the Notice of Violation, the hearing minutes, if applicable, and the circumstances the Board considered that warranted no action.

If the Board sees substantial remediation of the violation(s), or the Member provides notice that the violation has been cured, the Board may, in its discretion, stop any further imposition of fines.

ARTICLE 8 **FINE AND LIEN POLICY**

For each calendar year, Member dues are due on January 1st.

Section 8.1: Delinquent Assessments. Member dues are due on January 1st of each calendar year.

Monthly late fees of \$10.00 per month shall accrue one month after the due date of January 1st, for example, if payment received February 1st -28th, \$10.00 late fee is due, if payment received March 1st -31st, \$20.00 late fee is due, and so on. A reasonable interest charge may be charged at the Board's discretion.

Section 8.1.1: Lien Action. After six (6) months of dues being overdue, in July of each year, the Board will file a lien on the affected lot(s) with the Catron County Clerk's Office, as allowed by State Law, for the Association to recover unpaid dues, late fees and accrued interest.

The delinquent Member will be charged \$100 to cover County Clerk fees to file and release a lien and estimated associated expenses.

Section 8.2: Other violations of the Community Documents and/or the HOA (§§47-16-1).

Section 8.2.1: Fine Schedule

1st Violation (Member must attend hearing or provide a written statement for Board review on or before the hearing date)

Warning

2nd Violation (same offense not resolved after three (3) months)

Fine up to \$200.00/month

3rd Violation (same offense not resolved after six (6) months from the warning)

Fine up to \$300.00/month

Continuing Violation

Daily fines until cured

Safety Violation or other unlawful activity (no notice or hearing required for violations posing an imminent threat to public health or safety)

Fine up to \$500.00 and immediate cure of violation

Section 8.2.2: Lien Action

If fines are imposed for violation(s) and are unpaid for three (3) months, the Board will file a lien on the affected lot(s) with the Catron County Clerk's Office as allowed by State Law for the Association to recover fines and late fees owed to the Association by the Member. The delinquent Member will be charged \$100 to cover County Clerk fees to file and release a lien and estimated associated expenses.

ARTICLE 9
AMENDMENTS

These Bylaws may be amended by the affirmative vote of fifty percent (50%) of the Members voting, in person or by proxy, upon the issue of the amendment at a meeting of the Members called for the purpose of voting upon the amendment. An amendment to these Bylaws shall not constitute an amendment to the Articles of Incorporation or the Declaration. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall prevail, and in the ease of any conflict between the Declaration and these Bylaws, the Declaration shall prevail.

ARTICLE 10
PRIVACY

In addition to the restrictions enumerated in Article 4 of the Declaration, the following provisions shall apply.

Section 10.1: “Drone” shall be defined as any device used or designed for navigation or flight in the air that is unmanned and guided remotely or by an onboard computer or onboard control system. Drones may also be referred to as “unmanned aerial vehicle (UAV)” or “unmanned aerial vehicle systems (UAVS).”

Section 10.2: Drones. All drone usage in the Subdivision shall comply with Federal Aviation Administration regulations (14 CFR Part 107 - small unmanned aircraft systems) and all other federal, state and/or local statutes and regulations. The provisions proposed in Senate Bill 556, 51st Legislature – State of New Mexico- First Session, 2013 shall apply to all drone usage in the Subdivision and are hereby incorporated by reference into these Bylaws, as if the Bill were set forth in full herein.

Section 10.3: Prohibitions Against Trespass, Invasion of Privacy and Harassment. Drones and or any UAV shall only be operated on and above the drone operator’s property in the Subdivision. Drones and UAVs shall not be operated, flown, or hovered over another owner’s property without prior express written permission from the owner of that property. This policy is intended to protect the privacy rights of all owners in the Subdivision.

ARTICLE 11
GENERAL

Section 11.1: Severability. Any determination by any court of competent jurisdiction that any provision in this instrument is invalid or unenforceable shall not affect the validity or enforceability of the remaining provisions of this instrument and the remaining provisions of this instrument shall remain in full force and effect.

Section 11.2: Waiver or Abandonment. Failure on the part of the Persons specified in Section 5.6 to enforce the terms of these Bylaws in the case of any breach or violation of any of the provisions of these Bylaws shall not constitute an abandonment or waiver of any right to enforce such provision for that or any subsequent breach or violation of such provision or of any of the other terms, or provisions herein set forth.

ARTICLE 12
FISCAL YEAR

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of the incorporation.

IN WITNESS WHEREOF, we being all Directors of Sugarloaf Mountain Owners' Association, Inc. have adopted these Bylaws as of August 31, 2024.

Dated

John Larson, President

Elizabeth Baker, Vice President

Catherine Burton, Secretary

Laurence Whitlow, Treasurer

David Sarricks, Member at-Large