

**BY-LAWS OF THE  
FOREST PARK PROPERTY OWNERS  
COOPERATIVE ASSOCIATION**

**Final Revision March 2014**

**Article I. Incorporation:**

The Forest Park Property Owners Cooperative Association is a corporation under the laws of the state of New Mexico.

**Article II. Purpose:**

This is a non-profit corporation, the purpose of which is to do any and all things necessary to maintain the quality of the community, and in particular to maintain and operate the water system, (This in no way implies a guarantee of an adequate water supply.) and uphold the restrictive covenants, for the membership of the Association.

**Article III. Membership:**

**Section 1. Composition:**

Membership in this Association will be restricted to beneficial owners of lots within Forest Park Subdivision, a subdivision of a tract of land in Bernalillo County, New Mexico, as filed (March 22, 1967 in Book D-3, Page 160).

**Section 2. Members:**

- a. The beneficial owner of a lot, or lots, in Forest Park will become a member of the Association, upon payment of the necessary dues and fees. Necessary dues and fees shall include all outstanding fees and assessments, pertinent to his lot or lots.
- b. Joint beneficial owners of a lot, or lots shall designate one of the owners to be a voting Association member.
- c. The owner, or owners, of several lots shall constitute only one voting Association member.

**Section 3. Non-voting Members:**

When one or a group of joint owners becomes a member as in section 2, all of this group shall be considered regular non-voting members of the Association.

**Section 4. Expulsion:**

- a. A member may be expelled from the corporation for non-payment of dues or for continuous violation of the Articles of Incorporation, the By-laws of this Association, or the Rules and Regulations, or the restrictive covenants of the Association. An expelled member shall lose his rights to obtain any type of services supplied by the Association.

b. The Board of Directors shall draft charges against the member proposed to be expelled and shall cause a meeting of the membership to be called for the purpose of affording such member an opportunity to be heard. The member against whom the charges are made shall be informed of the charges against him in writing at least ten (10) days in advance of the meeting.

c. The hearing shall be governed by procedures promulgated by the Board of Directors and contained in the Rules and Regulations. At such hearing the charges shall be presented and a hearing held. Subsequent to the hearing the question of expulsion shall be presented to the membership. A vote of the majority of the membership voting shall be required for expulsion.

d. If expelled for violation other than nonpayment of dues and assessments, a member may be reinstated member is found to be no longer in violation as specified in Article III, Section 4a. and pays any extraordinary expenses incurred by the Association as a result of the member's action. A member expelled for non-payment of dues or assessments may be reinstated upon payment of all assessments and charges owed by him to the Association.

## **ARTICLE IV. Meeting of the Membership:**

### **Section 1. Annual Meeting:**

There shall be an Annual Meeting of the members of the Association on the date set by the Board of Directors with a 30 day notice of the Annual Meeting given to the membership.

### **Section 2. Special Meetings:**

Special meetings of the members may be called by three members of the Board of Directors, or upon written petition of at least six (6) members of the Association.

### **Section 3. Quorum:**

At any meeting of the Association, the number of members qualified to vote under Section 4 of this Article must be at least ten percent (10%) of the number of the members of the Association, to be considered a quorum.

### **Section 4. Voting:**

a. At every meeting of the membership, each Association member present shall be entitled to one vote, regardless of the number of lots owned by the member. No voting agreement or other device to evade the one member, one vote rule shall be enforceable.

- b. The vote of a simple majority of those voting shall decide any questions brought before the meeting, except in the case of a proposed change in the restrictive covenants, which requires a three-quarters (3/4) majority vote of all Association members who cast a ballot.
- c. An Association member may designate proxy voting power only to a joint owner of his lot or lots.
- d. Votes may be handled by mail and/or electronic ballots.

**Article V. Rules of Meeting:**

The meetings of the Board of Directors and of the membership shall be governed by the laws of the State of New Mexico, the Articles of Incorporation, these By-laws and the Rules of Regulations of the Association. If none of these cover the method of conducting business or a situation which may arise, then the latest edition of Roberts Rules of Order shall apply.

**Article VI. Board of Directors:**

**Section 1. Definition of Director:**

As used in these By-laws, "Director" shall have the same definition as the term is given in N.M.S.A. 51-15-18, 1953 Comp. or any amendments thereto and shall have the same meaning as the word "Director" as used throughout N.M.S.A. 51-15-1 etc. seq. 1953 Comp., as amended.

**Section 2. Qualifications:**

No person shall be competent to act as Director of the Association unless an Association member. If any Director ceases to be an Association member, his/her term of office shall end. All members of the Board of Directors shall be actual and bona fide residents of the State of New Mexico.

**Section 3. Governing Powers:**

The Association shall be managed by the Board of Directors. The Board of Directors shall have entire charge of the property, business interests and general operations of the Association with full power and authority to manage and conduct the same. In addition thereto and to the specific powers conferred on the Board by the Articles of Incorporation, and these By-laws, the Board of Directors shall have general power to do all such things as may be necessary or appropriate for the administration of the affairs of this Association and not inconsistent with the statutes of the State of New Mexico, United States of America, or the Articles of Incorporation or By-laws of this Association. In order to effect these purposes, the Board of Directors shall have the power from time to time to pass Rules and Regulations. Proposed Rules and Regulations shall first be presented to the Board of Directors at a meeting of the Board of Directors. If the Board of Directors

determines that such Rules and Regulations should be adopted, the Board of Directors shall take a final vote on the proposed Rules and Regulations at a subsequent meeting of the Board of Directors after first affording the members of the Association an opportunity to speak in behalf or against such proposed Rules and Regulations at such meeting. At least ten days prior to the Board of Directors meeting at which the proposed Rules and Regulations shall be discussed and voted upon the proposed Rules and Regulations shall be mailed to the membership along with a notice stating the time, date and place of the Board of Directors meeting and a statement advising the membership that any member may attend such Board of Directors meeting for the purpose of speaking for or against the proposed Rules and Regulations prior to the Board of Directors making its final vote on such proposed Rules and Regulations. Proposed Rules and Regulations shall require a vote of a majority of the Board Membership in order to be passed.

**Section 4. Election, Term of Office and Qualifications:**

Elections shall be held by a written ballot, provided to the membership not later than two weeks prior to the Annual Meeting. Nominations for directors shall be sought from the Association membership.

Each ballot shall contain the names of all nominees with appropriate instruction for voting, appropriate identification slips to be signed and returned with each ballot and the date by which ballots must be received by the association in order to be counted. In case of a tie vote for any director, the directors shall be selected by lot from the nominees for whom the vote is tied and shall be declared the winner by lot as elected. The elected directors shall take office on the date of the Annual Meeting of the Association after the adjournment of the Annual meeting.

The term of office is for three years.

**Section 5. Vacancies:**

Vacancies in the number of elected Directors shall be filled by a vote of the majority of the remaining Directors. Such Director shall fill out of the office of the Director whom he was elected to replace.

**Section 6. Officers:**

Immediately following the Annual membership meeting, or within the period of one month, the newly elected Board shall convene and elect for a term of one year a Vice-President, a Treasurer and a Secretary. The Vice-President shall also be designated President-elect. The Vice-President shall automatically become President at the adjournment of the annual meeting of the membership.

**Section 7. Meetings:**

Regular meetings of the Board of Directors shall be held monthly at such date, time and place as shall be determined by the Board of Directors. Notice shall be given to the general Association membership of the monthly meetings via the Forest Park web site.

**Section 8. Special Meetings:**

Special meetings of the Board of Directors may be held at any place and at any time upon the call of the President, Vice-President or any two directors. Notice of all Special Meetings of the Board shall be given to each Director by mailing or other mechanisms of the date, time, place and purpose or purposes thereof at least five days prior to the time fixed for such meeting; provided, however, that in the event all Directors are present at a Special Meeting, notice may be waived. It shall be the responsibility of the Secretary to file such notice.

**Section 9. Quorum:**

A majority of the Board of Directors shall constitute a quorum for the transaction of business, and in the presence of a quorum, a majority vote of the members present at the Board of Directors meeting shall decide its action.

**Article VII. Officers:**

**Section 1. Designations:**

The principal officers of the Association shall be the President, Vice-President, Secretary and Treasurer. The officers shall be members of the Board of Directors. No two offices may be held by the same individual. The Board of Directors may appoint an Assistant Secretary and an Assistant Treasurer and such further officers as in their judgment may be necessary.

**Section 2. Election of Officers:**

Other than the President, which office shall fall automatically upon the Vice-President at the annual meeting of the membership, the officers of the association shall be elected annually by the Board of Directors at its first meeting following the annual membership meeting. The Board member serving as President may serve longer at the discretion of the Board. Officers shall serve for a term of one year and until their successors are elected and duly qualified. Any vacancies occurring in offices shall be filled by the Board of Directors by a majority vote of those present at a properly constituted meeting.

**Section 4. President:**

The President shall preside at all meetings of the Association and all meetings of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation including the power to appoint committees from time to time as in his/her discretion as the president

may deem appropriate to assist him/her in the conduct of the affairs of the Association.

**Section 5. Vice-President:**

There shall be a Vice-President who shall be the President-elect. In the absence or disability of the President, the Vice-President shall perform the duties and exercise the powers of the President. The Vice-President shall also perform such duties as shall be prescribed by the Board of Directors.

**Section 6. Secretary:**

The Secretary shall keep the minutes of all meetings of the membership and of the Board of Directors. He shall be responsible for maintaining an up-to-date copy of the By-laws, placing in the By-laws any amendments thereto passed by the membership. He shall further perform the duties and functions customarily performed by the Secretary of a corporation, together with such other duties as the Board of Directors may prescribe.

**Section 7. Treasurer**

The Treasurer oversees the corporate funds and securities of the Association. A contract water system firm handles the monthly meter readings, member billings, and member payments. The treasurer insures monthly reports of these transactions are submitted to the Corporation by the contractor. A contract CPA handles payments that include utility payments, insurance payments, and annual federal and state income tax forms among others. The treasurer reviews monthly reports of all these transactions for correctness. The treasurer reports the status of these transactions and of the status of all funds at the monthly Board Meeting.

**Article VIII. Nominations for Vacancies on the Board of Directors:**

The Board of Directors will inform the general membership of all upcoming vacancies on the Board of Directors, prior to the Annual Meeting. The general membership will be invited to submit nominations of themselves or other Association members to fill vacancies. Each nominee will be asked to provide a short biography, which will be shared with the membership as part of the ballot for new Directors.

**Article IX. Removal of Officers and Directors:**

A director or officer may be removed with or without cause by a majority of votes received at a Special Meeting called for such purpose. The Director or Officer involved shall have the opportunity to be heard at such meeting. A vacancy caused by such removal shall be filled as provided elsewhere in these By-laws.

## **Article X. Fiscal Management:**

### **Section 1. Fiscal Year:**

The fiscal year of the corporation shall be from January 1 through December 31.

### **Section 2. Allocation of Funds:**

An operational fund, and a separate capital improvements fund, shall be maintained. The operational fund shall be used to cover expenses incurred in normal operation of the water system, and the operational expenses of the corporation. The Capital Improvements Fund shall be used to cover capital improvements to the subdivision as a whole. From time to time, as the Board of Directors may determine, excess funds in the operational fund may be transferred to the Capital Improvement Fund. Transfers from the Capital Improvement Fund to the Operational Fund may be made only by approval by the Board of Directors.

### **Section 3: Depositories:**

All sums received by the corporation shall be promptly deposited in such accounts with such depositories as shall be designated by the Board of Directors.

### **Section 4: Execution of Corporate Documents:**

With prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the corporation by either the President or Vice-President and attested by the Secretary or Treasurer. All contracts to be entered by the corporation must be in writing and the original or an executed copy must be delivered to the Secretary for safekeeping in a file kept for that purpose. All checks shall be executed on behalf of the Association by the individual or individuals expressly designated by the Board of Directors.

### **Section 5: Auditing and Reports:**

The Board of Directors shall provide periodic audits of the financial records of the corporation by a qualified accountant. At least one such audit shall be conducted annually and a copy of the report of the accountant shall be submitted to the Board of Directors. Financial records as appropriate may be posted on the Forest Park web site.

### **Section 6: Corporation Moneys:**

No member of the Association shall be entitled to any portion of the funds of the corporation. Such funds shall not inure to the benefit of any private person and shall be held and used only for the purposes specified in the Articles of Incorporation of the Association. However the Association may pay a member of the Association for goods and services provided to the Association.

### **Section 7: Dissolution:**

In the event of the dissolution of the corporation, the assets of the Association remaining after the payment of all debts of the Association shall be distributed pro rata to the members of the Association on the basis of one share for each lot held by the member. No distribution shall be made which shall disqualify the corporation as a tax-exempt organization under the provisions of Title 26, Section 501 C 12 of the Internal Revenue Code, Regulations thereunder, and any amendments thereto.

**Section 8: Indemnity:**

Each officer, director, or employee of the Association shall not be liable to debts incurred by him in connection with any action, suit or proceeding to which he may be a party by reason of his having been an officer, director, or employee of the corporation, except in relation to matters to which he/she shall be finally adjudged in such action, suit or proceeding to have been acting outside of the scope of his/her duties as officer, director or employee.

**Section 9: Compensation:**

The compensation of any employee of the Association shall be fixed by the Board of Directors. The Board may reimburse its members for necessary expenses incurred. Nothing contained herein shall preclude any officer or director from serving the Association in any other capacity and receiving compensation therefore, except as provided in Article XI, Section 6.

**Article XI. Revenue:**

**Section 1. Payments:**

Each member shall be obligated to deposit with the designated agent of the Association such sums as yearly dues, hook-on fees, and monthly service charges as specified in the rate structure, and special assessments as specified in Article XIV, before such member may avail himself of the benefits offered by the Association, which include in particular, access to the water system.

**Section 2. Annual Dues:**

An annual assessment will be made on each residence, and deposited in the operational fund. An annual assessment will be made on each unoccupied lot, and deposited in the Capital Improvements Fund. A monthly minimum water rate plus a per gallon rate for water usage in excess of the monthly minimum, will apply to residence lots and be deposited in the Operational Fund. A one-time hook-up charge will apply to all users attaching to the system and be deposited in the Capital Improvements Fund. Installation of pipe from the water main to the house, installation of the meter, and repair of any related damage to the main line will be the responsibility of the individual lot owner.



**Section 3. Other Revenue:**

The Board of Directors shall have the power to contract for the sale of water to non-members of the Association. Each contract shall be negotiated, on an individual basis, between the buyer of the water and the Association, and contain individual terms and regulations. No water may be supplied to non-members of this Association without such a contract in effect.

**Article XII. Emergency Assessments:**

In the event of the requirement of Emergency Funds, the Board of Directors shall have the power to negotiate loans. The Board shall also have the power to recommend special assessments, which shall be approved by the membership as specified in Article IV, Section 4. These assessments may be needed to secure a loan to address a catastrophic failure of the water system.

**Article XIII. Amendments:**

These By-laws may be amended by a vote of the membership as described in Section 4. or at a Special Meeting called for the purpose of amending the By-laws. Such shall be the method of amendment to the By-laws unless the statutes of the State of New Mexico are amended to require a different method.