CDS HOA Document Review Report

For review during March 4, 2026 CDS HOA Board meeting.

Per review process presented Jan. 14, 2026:

Review and Research

A. **Research how to conduct an HOA document review for the purpose of updating or amending, as necessary:**
https://www.hoamanagement.com/how-to-change-hoa-bylaws/

B. **Obtain information regarding NM's current regulations for HOA's**

FOR HOMEOWNERS ASSOCIATIONS

The New Mexico Homeowners Association Act regulates the creation, authority, operation, and management of homeowners associations in the state. You can find it in Chapter 47, Title 16 of the New Mexico Statutes. It consists of 19 sections, outlined below.

Short title
Definitions
Creation of homeowner association
Recording or filing of homeowner association notice and declaration
Record disclosure to members-updated information
Duties of homeowner association
Board members and officers-duties-budget
Declarant control of board
Removal of board members
Proxy and absentee voting-ballot counting
Financial audit
Contract disclosure statement or disclosure certificate; right of cancellation of purchase contract
Sale of lots-disclosure certificate
Purchaser's cancellation of a purchase contract
Attorney fees and costs
Applicability
Flags
Meetings of association
Enforcement of covenants-Dispute resolution

https://clarksimsonmiller.com/new-mexico-hoa-laws-and-regulations/

New Mexico Community Association Law

Homeowners' associations in NM are governed by the New Mexico Homeowner Association Act which went into effect on July 1st, 2013. It applies to all HOAs regardless of the establishment date with some exceptions (Section 13). All homeowners' associations must record a notice of the association with the county clerk in the county in which the community is located. If an HOA fails to record notice, the ability to charge assessments, fines, or enforce liens will be suspended. This act does not apply to Condominium Associations.

Homeowners Association's Rights and Responsibilities

The primary purpose of an HOA is to maintain the common elements of the community and protect homeowner property rights. To create a budget for maintenance costs, the association may charge regular assessments.

If an account becomes delinquent, the community association can charge additional fines and even place liens on the property. In extreme circumstances, the HOA may foreclose on the property despite on-time mortgage payments.

HOA Records

It is the responsibility of the board of directors to maintain detailed records for the association:

- Declaration and bylaws.
- Names of current association members.
- Minutes of all meetings must be kept on record for at least five years.
- Records of actions taken at meetings.
- Current operating budget.
- Current assessments – regular and special assessments.
- Most recent audit if one exists.
- Any current contracts with vendors.
- Current insurance policies.

All records must be made reasonably available to association members. Copies must be made and sent upon request. The association may not charge homeowners for information except for the cost of making copies.

Annual Budget

The board is responsible for creating and adopting an annual budget. Once a budget is adopted, a summary of the new budget must be sent to all homeowners.

If a community contains more than 100 units, an annual audit from a certified public accountant is required no more than 180 days after the end of the fiscal year. For communities under 100 units, an audit is not required but may be requested by a majority vote from homeowners.

Homeowner Rights

Homeowners have the right to vote during board elections and to vote on amendments to the declaration or bylaws. Voting rights are not regulated by the Homeowners Association Act and will vary between communities.

Association members must be allowed reasonable access to all community documents including financial information. Copies of association documents can be made upon request to the board.

NM Homeowner Association Act

HOA rules in New Mexico vary widely. It is important to read and understand all community regulations before purchasing property in an HOA-managed community. Most homeowners' associations require the signing of a contract upon purchase.

Please note that CSM is not a licensed attorney and cannot provide legal advice. If you have questions about interpreting your state's legal requirements or the association's governing documents, please contact an attorney that is licensed in your state.

*Our current documents, recorded 10/22/2007, meet all state requirements. Wording and formatting is outdated as well as some updating may be required to meet the current standards of life in 2026.

C. **Review documents for local HOA's of similar size and location**
   A search of seven known local HOA's was conducted. Online information was available for three. Websites are often locked for member access only.

   1. *Tierra Colinas* – in Spur Ranch Road area
      tierracolinas.wildapricot.org
      50 lots with 3-4 acre parcels, 2024 annual budget showed 44/50 lots built out
      Documents are original forms. Bylaws - Feb. 27, 1996; CCRs -Jan. 28, 1999

They have added a Covenant Enforcement statement and TC Guidelines but neither appears to have been recorded.

2. *Rancho San Lucas* – Spur Ranch Road east side of tracks (Camino San Lucas Loop) and road just on west side of tracks (Camino San Jorge)
   29 lots
   rslhoa.com
   Original incorporating documents 2009, Bylaws and CCRs 2018, CCRs amended Nov. 26, 2025. Process completed and recorded according to requirements of preexisting documents.

3. *Eldorado Community Improvement Association*
   eldoradosf.org
   Original documents 1972, Bylaws updated in 2024, CCRs updated in 1996, Architectural Guidelines updated 2026

   *Community and documents exceed the needs of our community, but they do show a history of reviewing and amending to meet current requirements of the community.

4. *La Paz HOA* – off Avenida Eldorado
   99 homes, lapaz.org - Accessible only by members of the HOA

5. *Sun Ranch HOA* – off Compadres
   No information available

6. *Campo Conejos* – off Rabbit Rd., near I-25
   75 lots with 60+ homes, average 2.5 acres
   campoconejos.com
   Original Bylaws and CCRs 1999, amended and replaced 2009

D. **Obtain information for associated costs for legal consultation and recording fees**

Before obtaining information regarding costs for legal consultation and recording fees, there should be discussion as to how to proceed. There are several options:

1. Leave documents as they are and add amendments. Consideration must be made regarding the amendment process, so it is legal.
2. Research rewriting the documents ourselves. There are many online HOA documents sources available to support such an endeavor. There may be costs associated with obtaining editable documents. A legal review might still be necessary to ensure we are meeting the state standards.
3. Turn the entire process over to an HOA attorney or an HOA Management firm to complete. Costs would probably be substantial.

Opinion: Our documents contain all standards of the NM HOA Act. However, they are severely outdated regarding some current community needs, and some of the requirements may not be necessary for our small community (i.e. Financial requirement for an annual audit/review of our finances – this requirement is not seen in most of the other HOA's documents.) The new formats for documents are much cleaner and easier to read which may reduce the reluctancy of homeowners to become familiar with the documents or check the documents independently prior to making requests to the Board. I suggest the Board and all community members take time to review our documents and review the documents at the HOA sites presented in this report.

Respectfully Submitted,

Sandy Aldern