

**AMENDED AND RESTATED BY-LAWS
OF
VISTA REDONDA MUTUAL DOMESTIC WATER CONSUMERS
ASSOCIATION**

**A NOT-FOR-PROFIT CORPORATION ORGANIZED PURSUANT TO THE
SANITARY PROJECTS ACT**

These Amended and Restated Bylaws (“Bylaws”) of the Vista Redonda Mutual Domestic Water Consumers Association shall supersede and replace all previous Bylaws of the Vista Redonda Mutual Domestic Water Consumers’ Association and the Vista Redonda Water and Property Owners’ Association. The Bylaws shall be acknowledged and filed in the office of the Public Regulation Commission, as provided by NMSA 1978, § 3-29-17.

**ARTICLE I
ORGANIZATION**

1.01 The name of the organization shall be VISTA REDONDA MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION (“Association”). The Association has been created under the Sanitary Projects Act, NMSA 1978, § 3-29-1 *et seq.*, and is evidenced by Articles of Incorporation filed February 14, 1969, as amended from time to time thereafter.

1.02 The Association shall have no requirement for a corporate seal. The absence of a seal from any document to be executed in behalf of the Association shall not affect the validity of such document.

1.03 The Association may at its pleasure by a vote of the membership body change its name.

**ARTICLE II
PURPOSES**

2.01 The following are the purposes for which the Association has been organized:

The purpose of the Association is to provide for the ownership, acquisition, development, protection, and use of water rights, and the construction, improvement, operation, maintenance, and repair of a water supply system, for the distribution of water for domestic and other uses, and to do all things necessary for the present and future operation of a safe, reliable, complete domestic and other purpose water supply system (“Water System”), to serve each lot shown on those certain plats of subdivision, filed for record in the records of Santa Fe County, New Mexico, which describe, respectively, Vista Redonda Unit A, Vista Redonda Unit B, Vista Redonda Unit C, Vista Redonda Unit D, Vista Redonda Unit E, Vista Redonda Unit F, and Vista Redonda Unit G (“Lot” or “Lots”), and which Units comprise, collectively, the Vista Redonda Subdivision (“Subdivision”). The Association’s Water System may serve certain property outside but adjoining the Subdivision (hereinafter, “Tract” or “Tracts”), provided that the owner of such Tract shall become a member of the Association, as provided in the Bylaws.

**ARTICLE III
MEMBERSHIP**

3.01 With respect to each Lot in the Subdivision, the person or entity holding record title to such Lot (hereinafter, “Owner”) shall automatically be a member of the Association and shall be bound by these Bylaws; provided, however, that the Owner of any such Lot may withdraw from the Association by giving written notice to the Association that the Owner and the specific Lot relinquishes and terminates membership

in the Association. Unless so relinquished and terminated, membership in the Association shall automatically transfer to the subsequent Owner of each Lot in the Subdivision. The Owner or subsequent Owner of any Lot in the Subdivision whose membership in the Association has been relinquished and terminated may thereafter become a member of the Association only in accordance with the provisions of Section 3.03 below.

3.02 With respect to a Tract located outside but adjoining the Subdivision, the person or entity holding record title to such Tract (hereinafter also "Owner") may become a member of the Association only in accordance with the provisions of Section 3.03 below.

3.03 The Association shall have no obligation to accept as a member (a) the Owner or subsequent Owner of any Lot in the Subdivision whose membership in the Association has previously been relinquished or terminated, or (b) the Owner of any Tract located outside but adjoining the Subdivision. If such an Owner shall apply for membership in the Association, the following guidelines shall apply for membership:

- (a) The applicant shall be in good financial condition and creditworthy;
- (b) The Association shall have sufficient water rights, and the Water System shall have adequate capacity to serve the applicant's Lot or Tract, in addition to serving all other Lots and other Tracts in the Association, and the applicant shall own sufficient water rights that can be validly transferred to and used by the Association to serve such Lot or Tract;

(c) The applicant shall, as a condition of approval of membership, make payment in advance of any membership fee, connection charge, assessment for a mandatory contribution to the Association's reserves for capital expenditures, and any and all costs to extend the Water System to the applicant's Lot or Tract;

(d) The applicant shall agree in writing to be bound by these Bylaws, including any subsequent amendments hereto and restatements hereof; and

(e) The applicant shall satisfy any other requirements for membership reasonably related to the purposes of the Association.

Membership in the Association shall require approval of each such application by majority vote of the Board of Directors. Membership in the Association shall not be denied because of the applicant's race, color, creed, national origin, sex or sexual orientation.

3.04 Membership in the Association that is granted to (a) the Owner or subsequent Owner of any Lot in the Subdivision whose membership has previously been relinquished or terminated or (2) the Owner of a Tract outside but adjoining the Subdivision shall be personal to the Owner of such Lot or Tract, and may not in any event be sold, assigned, or transferred, in whole or in part, directly or indirectly, including by operation of law, such as through inheritance or a change of beneficiary, to any other person or entity, including to any purchaser of such property, without the prior written consent of the Board of Directors. The Board of Directors may in its discretion withhold or refuse such consent unless and until the purchaser, assignee, or other

transferee shall satisfy all of the guidelines for membership in the Association, as set forth in Section 3.03 above.

3.05 In no event shall the termination of membership in the Association release any member from any liability or obligation to the Association, or waive or impair any rights or remedies that the Association may have against the member based on, arising out of, or in any way relating to membership in the Association.

3.06 A member of the Association shall be considered a “Member In Good Standing” provided that any and all billings, including fees, charges, assessments, tolls, and other levies for services or facilities furnished or made available by the Association to the member’s property or otherwise authorized by the Sanitary Projects Act are not delinquent in payment. Hereinafter, the term “Member,” as used in these Bylaws, shall refer only to a “Member in Good Standing.”

ARTICLE IV MEETINGS

4.01 ANNUAL MEETING.

The regular annual meeting of the Association shall be held each year on the third Monday in July, unless otherwise determined by the Board of Directors.

Not less than thirty (30) days in advance of the annual meeting, the Secretary shall cause to be mailed and emailed to every Member at his or her postal and email address as it appears in the membership roll book of the Association written notice thereof setting forth (a) the time and place of the annual meeting, (b) the agenda for the annual meeting, (c) such additional information as may be necessary to reasonably inform the Members of each matter subject to a vote of the Members at the meeting, and

(d) any materials necessary for the Member to execute a written proxy with respect to any matter subject to a vote. Not less than thirty (30) days in advance of the regular annual meeting, the Secretary shall also cause the notice thereof, including any additional information and proxy materials, to be posted on the Association's website.

4.02 SPECIAL AND EMERGENCY MEETINGS.

Special meetings of the Association may be called by majority vote of the Board of Directors whenever it is deemed to be in the best interests of the Association, or upon written petition signed by twenty percent (20%) of the Members and presented to the Board of Directors. Notice of any special meeting shall be mailed and emailed to all Members at their postal and email address as it appears in the membership roll book at least ten (10) days before the scheduled date of such meeting, and shall specify the purpose for which such meeting is called. Notice of any special meeting, including the purpose thereof and such additional information as may be necessary to reasonably inform the Members of such matter, shall also be posted on the Association's website within ten (10) days before the scheduled date of such meeting.

In the event of an emergency, the President may call a meeting of the Association, and in such event, notice shall be given to the Members by facsimile, email or other electronic or direct means at least twenty-four (24) hours before such emergency meeting, and shall state the purpose for the emergency meeting. Notice of any emergency meeting shall also be posted on the Association's website, including the purpose thereof. No business except that specified in the notice may be transacted at any special or emergency meeting.

4.03 QUORUM AND ADJOURNED MEETINGS.

The presence, either in person or by proxy executed in writing, of Members representing a majority of the Lots and Tracts (if any) the Owners of which are Members in Good Standing of the Association shall constitute a quorum for any meeting of the Association and shall be necessary and sufficient for the conduct of business; provided, however, that a lesser percentage of Members may adjourn the meeting for a period of not more than four (4) weeks from the date scheduled pursuant to these Bylaws, and the Secretary shall cause a notice of the rescheduled meeting to be sent to all members who were not present at the meeting originally called. A quorum as herein before set forth shall be required for any adjourned meeting.

ARTICLE V VOTING

5.01 With respect to any matter that is subject to a vote of the Members under these Bylaws, each Lot in the Subdivision and each Tract outside but adjacent to the Subdivision, the Owner of which is a Member in Good Standing, shall be entitled to one (1) vote. There shall be no fractional voting by the Members, regardless of any undivided or fractional ownership interest in any Lot or Tract.

5.02 At all meetings of the Association, except for the election of directors when there is more than one (1) candidate, all votes by the Members shall be by voice. The President may call for a voice vote on any matter coming before a meeting of the Association. Any Member may move that a written ballot be taken. For the election of directors, if written ballots are provided, there shall not appear any place on such ballot that might tend to indicate the Member who cast such ballot. At any meeting of the

Association, if a majority of the Members so requires, any question may be voted upon in the manner provided for election of directors.

5.03 Unless specifically provided otherwise in these Bylaws, “majority vote” when used in reference to a vote of the Members means a majority of the Members present and voting, including by proxy, or by absentee ballot, at the annual or any special or emergency meeting of the Association convened pursuant to a quorum of the Members, and such a “majority vote” shall constitute the action of the Association with respect to the matter voted upon. If a vote of the Members includes absentee ballots, the votes cast by the absent Members shall be counted together with those cast at the meeting provided that the absentee ballots shall be returned by the Member and received by the Association no later than the time of the meeting.

5.04 In addition to any other matters covered by these Bylaws, the following actions shall require a majority vote of the Members present and voting, including by proxy, or by absentee ballot, at a meeting of the Association:

(a) Authorizing the sale, lease, exchange, mortgage, or other disposition, including a plan of distribution, of all or substantially all of the property and assets of the Association, not in the usual and regular course of business;

(b) Approving a plan of merger, consolidation, or exchange that is required to be approved by the Members.

(c) Adopting a resolution submitted by the Board of Directors to dissolve the Association;

(d) Adopting a resolution submitted by the Board of Directors to revoke voluntary dissolution proceedings.

**ARTICLE VI
BOARD OF DIRECTORS**

6.01 NUMBER , QUALIFICATION, ELECTIONS AND TERM OF OFFICE.

The business of the Association shall be managed by a Board of Directors which shall consist of not less than five (5) nor more than nine (9) members, and which shall include the officers of the Association, all of whom shall be Members in Good Standing of the Association (“Board”).

The directors to be elected for the ensuing fiscal year shall be elected at the annual meeting of the Association by majority vote of the Members. The directors shall serve staggered terms of not less than twelve (12) months and up to four (4) years, to ensure that the terms of the directors will end in different election years, dating from the time of their election until the election of their successors.

A Nominating Committee, appointed by the President, comprised of three Members in Good Standing, shall present the nominees for election as directors, who shall be submitted to the Members at the annual meeting. Members shall vote for all directors nominated to serve in the succeeding year.

The Board shall choose among its members a President, Vice-President and Secretary/Treasurer to serve as the officers of the Association in the succeeding year; provided, however, that the officers so chosen shall be subject to ratification by majority vote of the Members at the annual meeting.

Any Member of the Association may propose a candidate(s) for election to the Board, provided only that the nominee shall express a willingness to serve as a director if elected.

At the discretion of the Board, up to four (4) Members may be submitted to the Membership at the annual meeting for election to the position of Adjunct Director. Any Member may also nominate candidates. If more than a total of four (4) are nominated, a written ballot will be held and the four (4) candidates with the most votes will be elected. Such Adjunct Directors, if elected, may attend and participate in meetings of the Board but shall not be voting members thereof.

The President of the Association by virtue of his or her office shall be Chairman of the Board.

Each member of the Board shall exercise the powers and duties of a director in good faith and with a view to the best interests of the Association. No director shall be an employee of the Association. No director shall serve as a director or officer of any corporation or a partner or managing member of any firm which transacts business with the Association. No director shall have any pecuniary interest in any contract entered into by the Association with any person, firm or corporation. If a matter comes before the Board in which an individual director has a pecuniary or other personal interest, the director shall disclose to the Board the existence of such an interest. Any such interested director may be counted in determining the presence of a quorum for any meeting of the Board or committee thereof but may not vote on any matter in which such director is an interested party.

6.02 MEETINGS, VOTING, QUORUM, PROXIES.

Upon notice via email to the Members of the Association within the time periods required by the Open Meetings Act and such other notice as may be required by the Open Meetings Act, the Board shall have the right to take any action in the absence of a meeting that the Board could take at a meeting, by obtaining the written approval, including by email or other electronic or direct means, of all the directors. Any such action shall have the same effect as though taken at a meeting of the Board. Any regular or special meeting of the Board may be held in-person or by telephone or video conference. The President may call a special meeting of the Board by giving at least three (3) days' notice by mail or telephone, facsimile, email, or other electronic or direct means to the members of the Board and the Members of the Association and/or the public.

The Board may make such rules and regulations to govern its meetings as it may in its discretion determine to be reasonable or necessary, and which shall provide an opportunity for Members of the Association to speak, to ask questions, and to provide or obtain information. A majority of the members of the Board shall constitute a quorum. A meeting attended by a quorum of members of the Board, whether in person or by telephone or video conference, may transact business. The meetings of the Board shall be held regularly throughout the year at a convenient time and place as the Chairman may designate, subject to approval by majority vote of the Board. The Board may, by resolution, appoint stated or regular times and places for its meetings throughout the year, and notice of such meetings shall be given as required by the Open Meetings Act. In any event, the President shall be responsible for ensuring that meetings occur frequently

enough for the effective discharge of the Association's business, but not fewer than four (4) meetings shall be called during the year.

Each director shall have one vote and such voting may be done by proxy. Unless specifically provided otherwise in these Bylaws, a vote of a majority of the directors, including by proxy, at a meeting of the Board convened pursuant to a quorum, shall constitute the action of the Board with respect to the matter voted upon.

6.03 VACANCIES AND REMOVAL OF DIRECTORS.

Any vacancy on the Board shall be filled by appointment of a Director Pro-Tem, to serve the balance of the vacated unexpired term(s) or until the next annual meeting of the Association, whichever is shorter. The appointment of a Director Pro-Tem shall be made by the Chairman.

A director may be removed from the Board by majority vote of the Members at a meeting of the Association.

6.04 POWERS AND DUTIES OF THE BOARD.

The Board shall have the control and management of the affairs and business of the Association. The Board shall act in the name of the Association only when it shall be regularly convened by its Chairman after due notice to all the directors of such meeting, and after due notice to the Members and/or the public as required by the Open Meetings Act and these Bylaws. Except as specifically provided otherwise in these Bylaws, the Board shall be empowered and shall have the duties as follows:

- (a) To receive public funds for acquisition, construction and improvement of water supply, reuse and storm drainage and to operate and

maintain such facilities, as provided in Section 3-29-3 of the Sanitary Projects Act;

(b) to do all things necessary in the local administration of any project subject to the provisions of the Sanitary Projects Act, as provided in Section 3-29-12(D) thereof;

(c) to exercise all of the powers of the Association as provided in Section 3-29-15 of the Sanitary Projects Act and these Bylaws, including to sue and be sued, to make contracts, acquire, hold, enjoy, dispose of and convey property real and personal, accept grants and donations, borrow money, incur indebtedness, impose fees and assessments and do any other act or thing necessary or proper for carrying out the purposes of the Association;

(d) to administer and enforce the conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Association's Articles of Incorporation and these Bylaws;

(e) to adopt, establish, make, publish, and enforce compliance with, such reasonable Rules and Regulations as may be necessary for the construction, improvement, operation, maintenance, repair, replacement and use of the Water System in accordance with these Bylaws and the Sanitary Projects Act, with the right to amend such Rules and Regulations from time to time in accordance with these Bylaws and the Sanitary Projects Act; a copy of same to be made available to each member promptly upon adoption thereof;

(f) to keep in good order, condition and repair all of the Water System components, facilities, and equipment;

(g) to establish a bank account for the common treasury and for all other funds for which a separate account is required or deemed advisable;

(h) to keep and maintain detailed and accurate books and records showing in chronological order all receipts, expenses or disbursements, with appropriate specificity and itemization, and to permit examination thereof at reasonable times by each of the Members, and, upon affirmative vote of a majority of a quorum of the Board, or majority vote of the Members, to cause a complete audit to be made of the Association's books and accounts by a competent certified public accountant. Any member requesting such inspection may be charged a reasonable fee set by the Board to defray the costs of such inspection as and to the extent permitted by law;

(i) to designate, pay, hire and fire all personnel, whether employees or independent contractors, necessary to carry out the duties and responsibilities of the Association;

(j) to provide for reimbursement of expenses, if any, of directors and officers and for reasonable compensation of employees or independent contractors of the Association;

(k) to disregard the vote of any member of the Association who is not a Member in Good Standing;

(l) to issue, or to cause an appropriate officer to issue, upon demand by any member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates to defray the cost of issuing such certificate. If a certificate states an

assessment has been paid, such certificate shall be conclusive evidence of such payment;

(m) to procure and maintain reasonable liability insurance as well as hazard insurance on property owned by the Association;

(n) to cause all officers or employees having fiscal responsibilities to be bonded as deemed appropriate, at the cost of the Association;

(o) to fund, and cause all bills of the Association to be paid from the rates, tolls, charges, assessments and fees collected from the Members;

(p) to cause each member of the Board to complete training, as required by the Department of Environment;

(q) in general, to carry on the administration of the Association and to do all of those things necessary and reasonable and not inconsistent with the Articles of Incorporation, the Sanitary Projects Act and these Bylaws in order to carry out the governing and operation of the water system.

6.05 COMMITTEES OF THE BOARD OF DIRECTORS.

The Chairman with the consent of the Board may, from time to time, appoint ad hoc committees to undertake special duties, to make special reports and to investigate any matters of interest or concern to the Board and/or the Association.

6.06 WATER QUALITY TESTING.

The Chairman with the consent of the Board shall designate a director to be responsible for ensuring that all statutory and regulatory requirements for water quality testing are promptly and correctly met.

**ARTICLE VII
ANNUAL FINANCIAL REPORT AND BUDGET**

7.01 The Board under the auspices of the Treasurer shall prepare and submit to the Members at the annual meeting a financial report for the immediately preceding fiscal year showing all income, receipts, expenses and disbursements, capital and other reserves, and all capital expenditures since the last annual report.

7.02 The Board, under the auspices of the Treasurer, shall prepare and adopt, subject to ratification by majority vote of the Members at the annual meeting, a budget for the ensuing fiscal year. The budget shall include an estimate of all operating income and expenses for the next twelve months, including a projection of all anticipated capital expenditures, and all fees, dues, assessments or other charges for the forthcoming year.

If the budget for the ensuing fiscal year provides for an increase in operating expenses or capital expenditures or proposed fees, dues, assessments or charges of more than ten (10%) percent from the then current fiscal year, the Board shall submit copies of the budget, including an explanation of the increases, to the Members before the annual meeting in the manner and timeframe described in Section 4.01.

7.03 The annual financial report and the budget ratified by the Members of the Association at the annual meeting shall be made available to the Members who do not attend the annual meeting by email, other electronic or direct means, or by posting on the Association's website.

**ARTICLE VIII
RATE SETTING, ASSESSMENTS AND ENFORCEMENT**

8.01 In accordance with Section 3-29-12(C) of the Sanitary Projects Act, the Board shall identify the amount of funds sufficient to provide for proper operation and

maintenance of the Association through a rate-setting analysis that will ensure enough revenue to cover yearly expenses and emergencies, a reserve fund for non-major capital items, and equitable pay for staff, if any. The Board may review and change the rate-setting analysis, if necessary, on a yearly basis. The funds shall be obtained by the Association by a monthly or yearly assessment of the members.

8.02 The Board shall determine, subject to ratification by majority vote of the Members at the annual meeting, the amount of the monthly or yearly assessments.

8.03 In accordance with Section 3-29-6(B) of the Sanitary Projects Act and these Bylaws, the Board may set, and increase or adjust annually, all fees, assessments, water rates, tolls or charges for services or facilities furnished or made available by the Association, including:

- (a) membership dues or fees;
- (b) a base monthly service fee for each active connection delivering water;
- (c) a base monthly service fee for each inactive connection;
- (d) a standby charge for the privilege of connecting into the Association's Water System at some date in the future;
- (e) assessments based on the volume of water delivered;
- (f) a connection charge;
- (g) assessments to cover the cost of any extension of the Water System;
- (h) assessments to cover the cost of operation, maintenance and repair of the Water System; and

(i) assessments for reserves for capital expenditures, including for the acquisition of water rights, well-drilling, and any design, engineering, procurement, construction, renovation, and/or replacement activities relating to the Water System.

All fees, assessments, water rates, tolls or charges set by Board, as provided herein, shall be subject to ratification by majority vote of the Members at the annual meeting of the Association. Following ratification, all such fees, dues, charges or assessments shall be billed to the members in statement form (by mail, email or other electronic or direct means) and shall set forth each item for which the assessments are being made.

8.04 The Board shall have the right to impose prejudgment interest and/or lawful penalties on unpaid assessments and to collect any unpaid assessments that are delinquent in payment, by suit or otherwise, and any such collection shall include the right to recover all costs and attorney fees incurred by the Association.

8.05 The Board shall have the right to place a lien on any Lot or Tract of any member of the Association in the amount of all outstanding assessments, charges, fees, interest and penalties that are delinquent in payment. The Board may enforce the lien in any manner provided by law. In the event the Board enforces the lien by a court action, the Board shall be entitled to recover all costs and attorneys' fees incurred by the Association.

8.06 After notice is given, the Board shall have the right to shut off unauthorized connections, illegal connections or services for which charges are delinquent in payment. The Board may file suit to recover costs associated with an

unauthorized or illegal connection or delinquent connection, including the cost of water delivered, charges for facility connection and disconnection, damages and attorneys' fees.

8.07 The Board shall prescribe and enforce rules for the connection to, and disconnection from, any facilities of the Association by any Lot or Tract of any member of the Association. The President of the Board shall direct the Water Master employed by the Board, or other qualified and designated representative of the Board , to assist in connecting or disconnecting any Member to the water system.

ARTICLE IX SPECIAL ASSESSMENTS

9.01 If the Board determines that it is in the best interests of the Association to enter into any single contract or to undertake any single project the amount or cost of which shall exceed \$300,000 (said sum to be adjusted yearly, as of the date of the annual meeting, using the Consumer Price Index for all Urban Areas), the Board shall, before taking final action on any such matter, submit the contract or the project, as well as any proposed special assessment for the contract or project (hereinafter, "Special Project" or "Special Assessment"), to the Members for approval.

The Board shall present any Special Project or Special Assessments for discussion and a vote of the Members at either the annual meeting of the Association, or a special meeting at which the Special Project or Special Assessment shall be the sole item of business on the agenda. The notice of any meeting at which any Special Project or Special Assessment is to be voted upon by the Members shall include information sufficient to allow the Members to make a reasonably informed decision concerning the

Special Project or Special Assessment, including the cost of the Special Project and the amount of any Special Assessment. Following discussion, the Special Project or Special Assessment shall be submitted to the Members for a vote by written ballot. Approval shall require the affirmative vote of a majority of all of the Members of the Association as a whole, present and voting, including by proxy, or by absentee ballot, at such meeting. Such an affirmative vote of the Members shall be necessary and sufficient to authorize the Board to enter into the contract, undertake the project, and levy the assessments which comprise the Special Project and Special Assessment.

ARTICLE X OFFICERS

10.01 DEFINITION AND ELECTION.

The officers of the Association shall be: the President, a Vice President, a Secretary-Treasurer or a Secretary and a Treasurer and such other officers as the Board may from time to time create by resolution. The officers shall be chosen by the Board from among its members, subject to ratification by majority vote of the Members at the annual meeting. All officers shall be Members in Good Standing of the Association. The duties of the officers shall include, but are not necessarily limited to those set forth below. The Board may alter the titles and duties of its officers, other than the President and Vice-President, and submit the altered titles and description of the duties of such officers to the Members at the next annual meeting.

All officers shall be authorized to sign checks on the accounts maintained by and for the Association. All officers may delegate any duties or responsibilities as provided herein.

10.02 POWERS AND DUTIES OF THE PRESIDENT.

The President shall by virtue of his or her office be Chairman of the Board. The President shall preside at all meetings of the Board, and at all meetings of the Association, including each annual meeting, all regular meetings, and any special or emergency meetings. The President shall present to the Membership at the annual meeting a report summarizing activities of the Association during the immediately preceding fiscal year and shall answer questions from the Members relating to such activities. The President shall have the responsibility to carry out the decisions of the Board. The President shall have such powers as may be reasonably construed as belonging to the chief executive of any organization. The President shall exercise such powers and perform such duties as may be set forth elsewhere in these Bylaws, whether expressly or by implication, or which may be necessary to carry out any of the functions and duties set forth herein, and such duties, tasks or undertakings as shall be delegated to him or her by the Board. The President shall have the general duty of taking actions, or referring matters to the Board or, in certain instances, to the Membership which, in his or her opinion, require consideration and/or action so as to serve the best interests of the Association and its members.

10.03 POWERS AND DUTIES OF THE VICE-PRESIDENT.

The Vice President shall, in the event of the absence or inability of the President, preside at a meeting, or if the President is otherwise unable to exercise his/her office, become acting president of the Association with all the rights, privileges and powers as if he or she had been the duly elected president, for that meeting or until the President is again able to exercise his/her office. There shall be no automatic succession of officers;

specifically, the Vice-President is not to be deemed the automatic successor of the President at a subsequent election.

10.04 POWERS AND DUTIES OF THE SECRETARY.

The Secretary or his or her designated representative shall keep the minutes and records of the Association in appropriate books and shall oversee all other record-keeping of the Association. It shall be his or her duty, or the duty of his or her designated representative, to file any certificate required by any statute or regulation, federal or state. The Secretary or his or her designated representative shall give and serve all notices to members of the Association. The Secretary or his or her designated representative shall be the official custodian of the records of the Association. The Secretary shall present to the Members at any meeting any communication addressed to him or her as Secretary of the Association. The Secretary shall submit to the Board any communications which shall be addressed to him or her as Secretary of the Association. The Secretary shall attend to all correspondence of the Association and shall exercise all duties incident to the office of Secretary.

The Secretary or his or her designated representative shall coordinate the responsibilities of the Records Custodian and the Data Base Manager as put forth in Article XVI, below. The Secretary or his or her designated representative shall ensure that all reports required by the Sanitary Projects Act are timely filed.

The Secretary may with the consent of the Board delegate his or her duties to third-parties, including, but not limited to, the Records Custodian, the Data Base Manager, bookkeepers, accountants and employees or independent contractors of the Association; provided, however, that the authority to sign checks in excess of a dollar

amount established by the Board on behalf of the Association shall not be delegated to anyone who is not a director.

10.05 POWERS AND DUTIES OF THE TREASURER.

The Treasurer shall have the care and custody of all monies belonging to the Association and shall be responsible for such monies and securities of the Association. The Treasurer or his or her designated representative shall cause to be deposited in a regular business bank or trust company, selected by the Board, in accounts which are insured as to principal and accumulated interest, if any, and which are entirely liquid at all times, a sum not exceeding the current cash needs of the Association as deemed reasonable and necessary by the Board. The Treasurer shall cause the balance of the funds of the Association to be deposited or invested with the institutions and in the manner selected by the Board so as to secure a reasonable rate of return for the Association, subject to the preservation of capital and prudent risk management considerations. The Board may cause such funds to be invested in such investments as shall be legal for a non-profit corporation in this state. The Treasurer shall be one of the officers who shall sign checks or drafts of the Association. No special fund may be set aside that shall make it unnecessary for the Treasurer to sign the checks issued upon it. The Treasurer or his or her designated representative shall render at stated periods as the Board shall determine a written report of all income and expenses of the Association, and all capital expenditures, and such report shall be physically affixed to the minutes of the Board for such meeting. The Treasurer shall exercise all duties incident to the office of Treasurer.

The Treasurer or his or her designated representative shall, at the request of the Board, issue reports on the status of all money accounts at meetings of the Board and at the annual meeting of the Association. The Treasurer or his or her designated representative shall prepare the annual financial report and the budget to be adopted or modified as appropriate by the Board, and thereafter submitted for review and ratification by majority vote of the Members at the annual meeting.

The Treasurer may delegate his/her duties, as approved by the Board, to third parties, including, but not limited to, bookkeepers, accountants and other independent contractors; provided, however, that the authority to sign checks in excess of a dollar amount established by the Board on behalf of the Association shall not be delegated to anyone who is not a director.

10.06 COMPENSATION.

No officer shall for reason of his office be entitled to receive any salary or other compensation.

10.07 LOSS OF OFFICERS.

Loss of President or Vice-President due to unwillingness to serve during their term shall cause the Board to convene at the direction of the Secretary, and to appoint from among its members a President and Vice-President Pro-Tem, to serve the remainder of the vacated unexpired term(s) or until the next annual meeting, whichever comes first.

The officers of the Association shall be chosen annually by the Board from its members subject to ratification by majority vote of the Members at the annual meeting of the Association. Vacancies in the officers of the Association shall be filled by the Board to serve the balance of the vacated unexpired term(s) or until the next Annual Meeting,

whichever comes first.

**ARTICLE XI
SALARIES**

The Board shall hire and fix the compensation of any and all employees or independent contractors which the Board in its discretion determines to be necessary for the conduct of the business of the Association.

**ARTICLE XII
COMMITTEES**

All regular and special committees of the Association shall be appointed by the Board and may be terminated by the action of the Board.

**ARTICLE XIII
INDEMNIFICATION OF DIRECTORS, OFFICERS AND COMMITTEE
MEMBERS, AND NO LIABILITY OF MEMBERS**

13.01. INDEMNIFICATION. The Association shall defend and indemnify any past or current Directors, Officers, Adjunct Directors, committee members, volunteers, technical advisors, agents or managers against reasonable expenses, costs and attorney's fees in connection with the defense of any action, suit or proceeding, civil or criminal, in which they are made a party by reason of being or having been a Director, Officer, Adjunct Director, committee member, volunteer, technical advisor or agent or manager for the Association. The Director, Officer, Adjunct Director, committee member, volunteer, technical advisor, agent or manager shall not be defended or indemnified for breach or failure to perform duties of their office if such breach or failure to perform constitutes willful misconduct or recklessness.

13.02. NON-LIABILITY FOR DEBTS OF THE ASSOCIATION. The private property of the Members shall be exempt from execution or other liability for the debts of

the Association and no Member shall be individually liable or responsible for any debts or liabilities of the Association.

ARTICLE XIV RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the meetings of the Association, and of the Board, and shall also keep a record of the names and addresses of all members of the Association. All books and records of the Association shall be open for inspection by any member or the representative of any member, duly authorized in writing, at such reasonable time or times as may be determined by the Board. Any such person requesting inspection may be charged a reasonable fee to defray the costs of such inspection as set by the Board as and to the extent authorized by law.

The Board shall establish and maintain a system of permanent record-keeping and shall appoint a qualified person to serve as the custodian of the Association's permanent records ("Records Custodian"). The Records Custodian shall attend Board meetings at the Board's request. The Board shall designate by category the records of the Association that shall be subject to permanent record-keeping, which may include external correspondence sent and received, copies of minutes of the meetings of the Board and the meetings of the Association, and copies of all reports, contracts, public hearings and other documents relevant to the Association's business and purposes. The Board shall also cause a computerized data base to be maintained which shall include relevant information concerning the ownership, billing and payment status of all Lots, Tracts and members of the Association, and the Board shall appoint a qualified person to

serve as the custodian of such information (“Data Base Manager”). The Data Manager shall prepare such reports as may be requested by the Board from time to time, showing the status of each Lot, Tract and Member in the foregoing respects.

**ARTICLE XV
ANNUAL REPORT**

The Association shall file within the time and on the forms prescribed and furnished by the Public Regulation Commission an annual report setting forth all information required by Section 3-29-17.4 and 17.5, the Sanitary Projects Act.

**ARTICLE XVI
FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June of every year.

**ARTICLE XVII
AMENDMENTS**

These Bylaws may be modified, amended, repealed or added to by a resolution adopted by a majority vote of the Members at any meeting of the Association convened pursuant to a quorum and upon such notice as required in these Bylaws, as provided in Section 3-29-19 of the Sanitary Project Act; provided, however, that Section 9.01 of these Bylaws may not be modified, amended or repealed except by the affirmative vote of a majority of all of the Members of the Association as a whole, present and voting, including by proxy, or by absentee ballot at such meeting.

**ARTICLE XVIII
MISCELLANEOUS**

In the case of any conflict between the Articles of Incorporation and/or these Bylaws, the Articles shall control.

IN WITNESS WHEREOF, being President of the Vista Redonda Mutual Domestic Water Consumers Association, have hereunto set my hand this 3 day of May 2013.

Susan G. Mize
(Susan G. Mize), President
Vista Redonda Mutual Domestic
Water Consumers Association

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 5th day of July, 2013 by Susan G. Mize President, Vista Redonda Water Association.

[Signature]
Notary Public



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 01/14/15

My Commission Expires:

January 14, 2015