

**Resolution of Amendment
of Articles of Incorporation**

By a vote of a majority of the members present and voting, in person or by proxy, at a special meeting of the Vista Redonda Water and Property Owners' Association, Inc. held May 3, 2013, upon such notice as the bylaws provide, the following actions were taken, which amend the Certificate of Incorporation as follows:

1. Article I – Name: The name of the Association was changed from “Vista Redonda Water and Property Owners’ Association, Inc.” to Vista Redonda Mutual Domestic Water Consumers Association.
2. Article III – Place of Business: The street address of the registered office of the Association was changed from “Route 4, Box 58D, Vista Redonda, Tesuque, New Mexico,” to Vista Redonda Mutual Domestic Water Consumers Association, c/o Holland & Hart LLP, 110 No. Guadalupe St., Suite 1, Santa Fe, New Mexico 87501. The name of the registered agent at the address of the registered office is Mark F. Sheridan of Holland & Hart LLP.
3. Article IV – Purposes: Article IV of the Articles of Incorporation, as previously amended, was further amended to delete all of the provisions thereof and to replace Article IV in its entirety with the following:

The object and 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 water supply system for domestic and other purposes to serve each lot as shown on those certain plats of subdivision, filed for record in the records of Santa Fe County, New Mexico, which

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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, commonly known as the Vista Redonda Subdivision, and such other tracts of land adjacent to the Vista Redonda Subdivision the owner(s) of which shall become a member of the Association. The Association shall also have all other purposes authorized or permitted by the Sanitary Projects Act, NMSA 1978 § 3-29-1 to § 3-29-21, as amended from time to time.

4. Article V – Membership: Article V of the Articles of Incorporation was amended to delete all of the provisions thereof and to replace Article V in its entirety with the following:

~~Each person holding record title to a lot in the Vista Redonda Subdivision shall~~ automatically be a member of the Association; provided, however, that such a lot owner may withdraw from membership upon written notice thereof to the Association. Unless withdrawn, membership in the Association shall automatically transfer to the successor-in-interest of the record title holder of each lot in Vista Redonda Subdivision.

Any person who withdraws from membership in the Association, including their successor-in-interest, and any person owning record title to a tract of land immediately adjoining the Vista Redonda Subdivision may become a member of the Association upon application, approved by the board of directors, that satisfies the following guidelines:

- (a) The applicant shall be in good financial condition and creditworthy;
- (b) The Association shall have sufficient water rights and the Association's water system shall have adequate capacity to serve the applicant's property, and/or the applicant shall own sufficient water rights to serve the applicant's

property that can be validly transferred to and beneficially used by the Association;

(c) The applicant shall make payment in advance of any membership fee, connection charge, assessment for capital expenditure reserves, and any and all costs necessary to extend the Association's water system to the applicant's property;

(d) The applicant shall agree to be bound by the Association's bylaws;

(e) The applicant shall satisfy any other requirements for membership reasonably related to the object and purposes of the Association, and applicable law and regulation; and

(f) No applicant shall be denied membership in the Association because of the applicant's race, color, creed, national origin, sex or sexual orientation.

Membership in the Association that is granted to the holder of record title to any lot in the Vista Redonda Subdivision who has previously withdrawn from membership, including such person's successor-in-interest, or to the owner of a tract of land immediately adjoining the Vista Redonda Subdivision, shall be personal to such member, and no such membership may be sold, assigned, or transferred in whole or in part, directly or indirectly, including by operation of law, to any other person or subsequent owner of such property, without the prior approval of the board of directors, which may withhold such approval unless and until any proposed transferee shall satisfy all of the guidelines for membership in the Association, as set forth above.

A member of the Association shall be considered a "Member in Good Standing," provided that any and all invoices, statements, and billings for dues, fees, charges,

assessments, tolls, and any 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. The term "Member" shall refer only to a "Member in Good Standing."

With respect to any matter that is subject to a vote of the Members, each lot in the Vista Redonda Subdivision and each tract adjacent to the Vista Redonda 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 in any lot or tract.

5. Article VI – Directors: Article VI of the Articles of Incorporation was amended to delete all of the provisions thereof and to replace Article VI in its entirety with the following:

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.

The directors to be elected for each 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.

6. Article IX – Association Funding: The Articles of Incorporation were amended to add the following new provision, "Article IX – Association Funding":

To provide the funds and means for the acquisition, construction, improvement and maintenance of the Association's work and necessary expenses, the board of directors shall conduct a rate setting analysis as provided by Section 3-29-12(C) of the Sanitary Projects Act to ensure enough revenue to cover yearly expenses and emergencies, a reserve fund for non-major capital items, and equitable pay for staff, if any. As provided in Sections 3-29-6(B) of the Sanitary Projects Act and subject to ratification by majority vote of the Members, the board of directors may set and increase or adjust annually dues, fees, water rates, tolls, charges and assessments for services or facilities furnished or made available by the Association to its members, including the following:

- (a) membership dues or fees;
- (b) a base monthly service fee for each active connection delivering water;
- (c) a base monthly service 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.

Following ratification by the Members, all such dues, fees, tolls, charges, and assessments shall be billed to and collected from the members of the Association.

The board of directors may enter into individual contracts, undertake special projects, and levy special assessments the cost of which may exceed \$300,000 provided that any such matter shall be in the best interests of the Association, and provided further that all such contracts, special projects, and special assessments shall be subject to approval by the affirmative vote of a majority of all of the Members of the Association as a whole.

In witness whereof, the undersigned officers have executed the foregoing resolution this

25 day of July, 2013.

Vista Redonda Water and Property
Owners' Association, Inc.

By: M. H. Rule
President

By: Susan Blule
Secretary

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State of New Mexico)
)
County of Santa Fe)

 ss.

The undersigned, being first duly sworn on oath, state they are, respectively, the President and Secretary of Vista Redonda Water and Property Owners' Association, Inc.; that the foregoing resolution was duly adopted by reason of majority vote of the members at a special meeting held May 3, 2013, upon such notice as the bylaws provide; and that the foregoing statements are true and correct.

M. M. Rule

President

Susan B. Rule

Secretary

Signed and sworn to before me on August 25th, 2013 by Donald David
Rule



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

[Signature]

Notary Public

January 14, 2015

My Commission Expires

Signed and sworn to before me on August 25th, 2013 by Susan
Barnes Rule



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

[Signature]

Notary Public

January 14, 2015

My Commission Expires

STATEMENT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED SUCCESSOR REGISTERED AGENT

Mark F. Sheridan
I, _____,

Hereby acknowledge the acceptance of appointment as Successor Registered Agent of

Vista Redonda Mutual Domestic Water Consumers Association

the Domestic Nonprofit Corporation, or Foreign Nonprofit Corporation, or Sanitary Project Act Corporation, or Cooperative Association, which is the successor registered agent.

(Sign on this line if the registered agent name in is the successor as an individual. If this line is signed, the two lines below do not apply and must be left blank.)

Mark F. Sheridan
.....

CORPORATION ACTING AS A REGISTERED AGENT ONLY

(If the following lines are used, the signature line above does not apply and must be left blank)

(If the registered agent is a corporation and is the successor, type or print the name of that corporation here.)

By _____
(An authorized officer of the corporation being appointed as registered agent must sign here and print name above)