

CERTIFICATE OF ASSOCIATION
OF
OSHARA MUTUAL DOMESTIC WASTEWATER ASSOCIATION

We, the undersigned persons, acting as the incorporators of an association under the New Mexico Sanitary Projects Act, NMSA 1978, Section 3-29-1, *et. seq.*, hereby adopt this Certificate of Association for such Association, as follows:

ARTICLE I
NAME

The name of the Association shall be Oshara Mutual Domestic Wastewater Association.

ARTICLE II
DURATION

The Association shall have perpetual duration.

ARTICLE III
PURPOSES

The Association is a political subdivision of the State of New Mexico organized under the New Mexico Sanitary Projects Act exclusively for the purposes of acquiring, constructing, installing, improving, maintaining and operating the wastewater treatment plant and related wastewater collection system located in the Oshara Village Subdivision, County of Santa Fe, State of New Mexico. To further these purposes, the Association shall have the power and authority to do any act or thing incidental to or in connection with and necessary for the foregoing objects or in advancement thereof, and to have all the powers and privileges provided by law to associations organized under the New Mexico Sanitary Projects Act, NMSA 1978, Section 3-29-1, *et. seq.*

ARTICLE IV
LOCATION

The service area of the Association shall consist of the developed and developable areas lying entirely within the boundaries of the Oshara Village Subdivision in the County of Santa Fe, as shown on the plat of the Subdivision filed of record in the office of the Santa Fe County Clerk on June 12, 2006, at Book 626, pages 1, 2 and 3 as instrument #1437406. The undersigned incorporators hereby affirm that the service area of the Association does not include property contiguous to an incorporated municipality or an unincorporated area currently served by a municipality or by a water and sanitation district.

The principal offices of the Association shall initially be located at 508 West Cordova Road, Santa Fe, New Mexico 87505, and the Association's mailing address shall be Oshara MDWWA, c/o Westgate Properties, LLC, 508 West Cordova Road, Santa Fe, New Mexico 87505. The initial registered agent for the Association shall be Robert Larragoite, whose address is at the

principal offices of the Association.

**ARTICLE V
MEMBERSHIP; VOTING RIGHTS**

The owner or owners of any property in the Oshara Village Subdivision, County of Santa Fe, State of New Mexico may become a Member of the Association by applying for membership to the Association's Board of Directors and upon being approved, by paying the current nonrefundable membership fees set by the Board of Directors and by complying with any rules and regulations of the Association. The owner or owners of each property that is connected to, or is eligible upon development to be connected to, the wastewater collection system and treatment plant of the Association must apply for and obtain a separate membership for each such property. Properties that are in the service area and designated as open space are exempt from the membership requirement as long as they remain non-developable and non-buildable. Wastewater collection and treatment services shall be available only to Members of the Association. Each membership in the Association shall be evidenced by a Membership Certificate issued by the Association.

Each Member shall be entitled to one (1) vote for each property owned which has a membership in the Association on all matters duly submitted for vote to the Members of the Association. There shall be only one official voting Member from each dwelling or commercial unit. Only Members whose financial obligations to the Association have been fully met as of the election date shall be eligible to vote in any Association election.

**ARTICLE VI
FUNDS FOR ACQUISITION, CONSTRUCTION, INSTALLATION,
IMPROVEMENT, OPERATION AND MAINTENANCE OF THE WORKS**

Funds for the acquisition, construction, installation, improvement, operation and maintenance of the Oshara wastewater collection system and treatment plant and for other necessary expenses of the Association shall be funded through membership fees, services fees, standby charges and any and all other assessments, fees or charges permitted to be imposed and duly imposed by the Board of Directors of the Association in accordance with the Sanitary Projects Act. In addition, the Board of Directors may seek grants or donations from agencies of the State of New Mexico, the United States of America, or other sources to defray costs of acquisition, construction, improvement, operation or maintenance of the collection system and treatment plant. In the discretion of the Board of Directors with the approval of a majority of the voting Members of the Association, the Association may issue bonds or incur other indebtedness for the acquisition, construction or improvement of the collection system and treatment plant.

**ARTICLE VII
BOARD OF DIRECTORS; OFFICERS**

The affairs of the Association shall be managed by a Board of Directors which shall consist initially of three (3) directors. The initial Board of Directors shall consist of the Incorporators

whose names and addresses are set forth in Article X below.

At the first Annual Meeting of the Members (as described in the By-Laws), two (2) directors shall be elected by the Members, each to serve a two (2) year term. The remaining director shall be elected by the Members for a one (1) year term. All subsequent elections for membership to the Board of Directors shall be for two (2) year terms. In the event of a vacancy in the Board of Directors, the remaining directors shall appoint a qualified person to fill the vacant position and serve as a director until the next regular meeting of the Members, at which the Members will elect a qualified person to serve for the remainder of the term. Directors shall be Members in good standing of the Association or the designated representatives of a legal entity which is a Member in good standing of the Association. The number of directors may be increased to an odd number greater than three (3) directors in the manner set forth in the Association Bylaws.

The Board of Directors shall exercise all of the rights and powers and perform all of the duties and responsibilities set out in this Certificate of Association, in the Bylaws, and in the Sanitary Projects Act.

The officers of the Association shall consist of a president, a vice-president, and a secretary/treasurer, who shall be appointed by the Board of Directors from among the directors.

ARTICLE VIII DWELLING UNITS AND PROPERTIES SERVED


At the time of the filing of this Certificate the total number of Members of the Association is 0 and the total number of dwelling units served by the Association is 0. The wastewater collection system and treatment plant serving a portion of the Oshara Village Subdivision is presently operated by others, pursuant to a certificate of convenience and necessity issued to the Oshara Utility Company, Inc. by the New Mexico Public Regulation Commission (NMPRC). It is the intention of the Association to acquire the wastewater collection system and treatment plant from Oshara Utility Company upon approval of such transaction by NMPRC. The present number of dwelling units served by the wastewater collection system and treatment plant is 76, and owners of those dwelling units will be required promptly to become Members as a condition of continued service. A total of 201 properties, including properties designated for residential dwelling units and properties designated for commercial use, are presently eligible for membership and wastewater service.

ARTICLE IX DISSOLUTION

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for payment of all liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association or to such organization or entity organized and capable of operating, managing and maintaining the Association's wastewater collection system and treatment plant.

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

The foregoing Certificate of Association was acknowledged before me this 8th day of December 2016 by PETER D MURPHY as Incorporator of Oshara Mutual Domestic Wastewater Association.


Notary Public

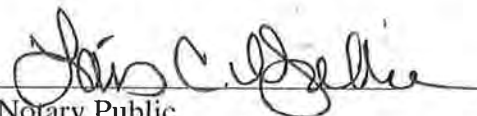
My Commission Expires:

08.01.2018



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

The foregoing Certificate of Association was acknowledged before me this 8th day of December, 2016 by Robert C. Destwiler, as Incorporator of Oshara Mutual Domestic Wastewater Association.


Notary Public

My Commission Expires:

08.01.2018



BYLAWS
OF
OSHARA MUTUAL DOMESTIC WASTEWATER ASSOCIATION

A Not-for-Profit Association Formed under the Sanitary Projects Act

ARTICLE I
NAMES, OBJECTS, PURPOSES, PRINCIPAL PLACE OF BUSINESS

The corporate name of the Association adopting these bylaws is Oshara Mutual Domestic Wastewater Association (hereinafter the "Association"). The objects and purposes and the principal place of business of the Association will be as stated in the Certificate of Association on file in the Office of the Secretary of State of the State of New Mexico. The principal office of the Association shall be located in Santa Fe County, New Mexico. The name and address of the registered agent may be changed from time to time as provided by law.

ARTICLE II
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January of each calendar year and shall end on the last day of December of the same calendar year.

ARTICLE III
MEMBERSHIP

Section 1: Application for Membership. Persons or entities eligible for membership as defined in the Certificate of Association will be admitted to membership upon application, proof of property ownership, and payment of a non-refundable membership fee in an amount set by the Board of Directors. The Board of Directors shall provide for the receipt, verification, and approval of applications for membership by the officers or employees of the Association. Applications for membership shall be in the form approved and provided by the Board of Directors. Membership shall not be denied on account of the applicant's race, color, creed, national origin, sex or sexual orientation.

Section 2: Types of Membership. The Association shall offer memberships in two categories: Residential Membership and Commercial Membership:

A. **Residential Memberships** entitle the Member to wastewater services to one residential property. Each such property shall be entitled to one membership, which may be held by (i) an individual; (ii) married persons or others holding the property as joint tenants; (iii) a corporation, trust, partnership, limited liability company, or other legal entity; (iv) any group of persons holding title to the property as joint tenants or tenants in common; or (v) a renter or lessee of the property upon written approval by the owner of the fee interest.

B. **Commercial Memberships** entitle the Member to wastewater services to a commercial property, commercial or governmental establishment, or other property not

qualifying for a residential membership. Multi-unit commercial establishments such as strip malls or shopping centers may be granted separate memberships for individual commercial store fronts or units, upon approval of the Board of Directors, only if the circumstances are such that it is reasonable for the Association to allow multiple connections from the property to the Association's wastewater utility system; and provided, further, that there shall not in any case be granted more than one (1) membership for each connection to the system. A commercial membership may be held by the owner of the fee interest in the commercial property, or by a renter or lessee of the commercial establishment upon written approval by the owner of the fee interest.

Owners of undeveloped but developable properties within the service area of the Association, as defined in the Certificate of Association, shall be eligible for membership in the Association with the same voting rights as the owners and occupants of properties already developed and receiving wastewater service, notwithstanding that standby charges or other fees imposed on undeveloped properties may be different from those imposed for wastewater service on developed properties.

Section 3: Membership Fees. Applications for membership shall be accompanied by the payment of a membership initiation fee in a reasonable amount as established from time to time by the Board of Directors. The membership initiation fee shall be sufficient at least to cover the incremental costs to the Association for the new membership. The membership initiation fee may also include a share of costs and expenses of the wastewater utility system which would have been attributable to the property or properties to which the new membership is attached during any period in which service was available to such property or properties from the Association, but the lot owner elected not to become a Member or receive service. Notwithstanding anything else contained in these Bylaws, new memberships may be denied by the Board of Directors if the Association has been lawfully ordered by any agency, court or other authority to cease issuing new memberships or to cease providing additional wastewater utility services.

Section 4: Rights, Privileges and Obligations of Members. The rights, privileges and obligations of Members shall be equal, provided that the owner or owners of multiple properties eligible for wastewater collection and treatment services from the Association shall be entitled to one voting membership for each such property, as described in the Certificate of Association. A separate membership and service connection shall be required for each property, unless otherwise specifically approved by the Board of Directors.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. Date and Time of Annual Meeting of the Members. The annual meeting of the members of this Association shall be held during the month of December each year at the principal place of business of the Association or elsewhere in Santa Fe County, or at such other time and place as may be designated by the Board upon notice provided to all Members of the Association.

Section 2. Special Meetings. A special meeting of the members of the Association may be called at any time by the President, upon resolution of the Board of Directors, or upon written petition to the President and delivered to the Secretary/Treasurer of the Association, signed by at least ten percent (10%) of the members. The purpose of every special meeting shall be stated in the notice and agenda thereof, and no business shall be transacted at that meeting except as specified in the notice.

Section 3. Notice of Meetings. Notice of annual meetings and special meetings of the members shall be given by notice mailed to each Member of record, directed to the address shown on the books of the Association and mailed at least ten (10) days prior to the meeting. Any Member may, by written notice delivered to the Secretary/Treasurer, elect to have the notice of meeting sent to the Member's e-mail address rather than a physical or postal service address. In addition, the Secretary/Treasurer shall post notice of the meeting at such locations as are likely to be frequented by Members and other interested persons, as determined from time to time by the Board of Directors. The meeting notice shall include the agenda, or shall inform the recipient or reader how a copy of the agenda may be obtained. If the Association maintains a web site, then the notice of meeting and the agenda shall be posted on the web site.

Section 4. Quorum. Twenty percent (20%) of the total number of residential members and commercial members of the Association will constitute a quorum for the transaction of business at any regular or special meeting of the members. If no quorum is present at any such meeting duly noticed, then the Board of Directors may call another meeting within thirty (30) days to consider matters that could not be decided because of the lack of a quorum. At the second meeting, the members actually present, regardless of number, shall constitute a quorum for the transaction of business.

Section 5. Meeting Agenda and Procedure. The order of business at the annual meeting and special meetings of the members shall, as far as reasonably possible, be as follows:

1. Call to order and proof of quorum.
2. Proof of notice of the meeting.
3. Review and action to approve minutes of prior meetings, if any.
4. Reports of officers and committees.
5. Election of officers.
6. Old business.
7. New business.
8. Adjournment.

The agenda of a meeting of the members shall be available to the public at least 72 hours before the meeting. Final action shall not be taken on any matter not included in the agenda. The meeting shall be conducted generally in accordance with Robert's Rules of Order, most recent edition and in accordance with the New Mexico Open Meetings Act, Section 10-15-1 *et seq.*, NMSA 1978.

Section 6: Voting. Each Member in good standing shall be entitled to one vote on matters brought before the membership for consideration at any meeting of the members.

Members holding multiple memberships shall be entitled to one vote for each membership. Voting by mail will be permitted as provided in the following section. Voting by proxy will not be permitted.

Section 7: Voting by Mail. At any time that a list of the matters proposed to be presented for action at a meeting of the members is definitely known in advance of such meeting, or in the event that a matter requiring a vote of the members is raised outside of any such meeting, the Board of Directors may in its discretion determine by resolution that a vote by mail should be authorized or conducted. In such event, the Secretary/Treasurer shall send to each Member a copy of the proposed schedule of matters to be presented for action at the meeting, or a list of the matters to be voted on solely by mail ballot, along with the notice of the meeting of the members or a notice of the deadline for receipt of mail ballots. Any Member who is not present and voting at the meeting (if any) may cast his or her vote on all matters to be considered by mailing or delivering the ballot to the Secretary/Treasurer no later than the time of commencement of the meeting, or the date and time designated for receipt of all ballots if the matter will not be taken up at a meeting of the members. All ballots so received shall be counted in the same manner as votes cast in person by Members in attendance at a meeting of the members. However, voters casting their ballots by mail shall not be counted in determining a quorum at any meeting of the members as set out in Section 4 of this Article IV, above.

ARTICLE V BOARD OF DIRECTORS

Section 1. Powers and Duties of the Board of Directors. The business and affairs of the Association shall be conducted and managed by the Board of Directors. The Board of Directors shall have the general power to act for the Association in any manner and on all matters not prohibited by statute or the Certificate of Association. In addition, the Board of Directors shall have all powers and duties set forth in Section 3-29-6 and Section 3-29-12, NMSA 1978. The function and duties of the Board of Directors shall include, but are not limited to:

- a. Selection of, and delegation of authority to, officers and employees necessary for the management of the Association's business;
- b. Determination of policies for the management of the Associations' affairs;
- c. Determination of the Association's annual budget and control of the Association's finances, including revenues, expenditures and management of debt, if any;
- d. Providing appropriate information and notices to the Members regarding the business of the Association;
- e. Causing audits of the Association's books to be performed from time to time as required by the State of New Mexico or by other legal authority;
- f. Making or causing to be made all necessary notices and filings to the New Mexico Environment Department and any other regulatory authority;
- g. Prescribing the form and method of issuance of Membership certificates;
- h. Establishing and amending from time to time, as the Board of Directors deems necessary and appropriate, rules, regulations and technical standards for the making,

maintenance, and discontinuance of connections to the Association's wastewater utility collection and treatment system; and

i. Establishing charges for wastewater collection and treatment services as hereinafter described, providing for the collection and enforcement thereof, and taking such action as may be necessary to recover any amounts owed to the Association and remaining unpaid, in accordance with these Bylaws, the provisions of the Sanitary Projects Act, and other applicable laws and regulations of the State of New Mexico.

j. Determination whether to expand the service area of the Association.

Section 2. Meetings of the Board. The Board of Directors shall meet in regular session at least quarterly, or at such more frequent regular interval as the Board may determine from time to time. Each Board member is expected to attend all meetings of the Board of Directors. A member may attend telephonically by prior arrangement. Any member of the Board of Directors who is unable to attend a meeting in person shall notify the Secretary/Treasurer as soon as reasonably possible. The Board of Directors may hold emergency or special meetings upon notice as determined in the Open Meetings Resolution adopted annually by the Board. A majority of the Board present in person at any meeting shall constitute a quorum for the transaction of business.

Section 3. Number of Members. The Board of Directors shall initially consist of three (3) members, as described in the Certificate of Association. The Members of the Association may, at any annual meeting of the members or at a special meeting of the members called for the purpose, determine by resolution to increase the number of Board members to any odd number greater than three. In the event the number of members on the Board of Directors is increased, there shall thereupon be elected Board members to fill the new positions, half of them for a one (1) year term and half of them for a two (2) year term. Subsequently all Board members shall be elected for two (2) year terms, unless otherwise necessary to fill a vacancy on the Board of Directors, as provided in the Certificate of Association.

Section 4. Election and Term of Board Members. Except as otherwise provided in the Certificate of Association and in the preceding Section 3 of this Article, the members of the Board of Directors shall be elected for staggered terms of two (2) years. Elections of Members to serve on the Board of Directors shall be by secret written ballot. The ballots shall be counted publicly at the annual meeting of the members, by members of the Association or others not running for election to the Board, as determined by the Secretary/Treasurer then in office.

Section 5. Organizational Meeting of the Board; Selection of Officers. The Board of Directors shall meet promptly after the election of any new Directors, and in any event no later than thirty (30) days thereafter, and shall elect a President, Vice President and Secretary/Treasurer from among themselves, each of whom shall hold office until the next annual meeting of members unless sooner removed by death, resignation or other cause.

Section 6. Compensation of Officers. The members of the Board of Directors and officers of the Association shall receive no compensation for their services as Directors or officers, but shall be entitled to recover any costs reasonably incurred in connection with their

services in that capacity, upon presentation of appropriate documentation, as determined by the Board, to the Secretary/Treasurer and approval of payment by the Board.

Section 7. Training. Members of the Board of Directors may from time to time be required or given an opportunity to attend informational or training sessions mandated or offered by the New Mexico Environment Department or other authority in accordance with applicable federal and state legislation and regulations. Fees for any mandatory informational or training sessions shall be paid by the Association. Fees for optional information or training sessions may be paid upon the approval of the Board of Directors. Directors shall also be entitled to payment of mileage and per diem to attend such informational or training sessions at the prevailing rates for non-salaried public officers under the Per Diem and Mileage Act, Section 10-8-1 *et seq.*, NMSA 1978, and the New Mexico Administrative Code.

Section 8. Vacancies. If any position on the Board of Directors becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, including removal from office, a majority of the remaining Directors, even if less than a quorum shall by majority vote choose a successor who shall hold office until the next regular meeting of the members of the Association, at which time the members shall elect a Director to complete the unexpired term, if any.

Section 9. Removal of Directors or Officers. Any Director or officer of the Association may be removed from office with cause, by a vote of not less than two-thirds (2/3) of the members of the Association present at any regular meeting of the members or any special meeting of the members called for that purpose, provided that a quorum is present. The Director or officer shall be informed of the charges against him or her at least ten (10) days before such meeting and at such meeting shall have the right and opportunity to be heard in person or by counsel, and to present witnesses on his or her behalf. Employees or agents of the Association, other than Directors or officers, may be removed from office or employment at any time by action of the Board of Directors.

ARTICLE VI DUTIES OF OFFICERS

Section 1. Duties of the President. The President shall preside at meetings of the members of the Association and at meetings of the Board of Directors, shall call special meetings of the Board of Directors as necessary, and shall perform all acts and duties usually performed by an executive and presiding officer. The President shall execute membership certificates, notes, bonds, mortgages, contracts and other instruments on behalf of the Association. In addition, the President shall have such other powers and duties and shall perform such acts as may be properly required of the President by action of the Board of Directors.

Section 2. Duties of the Vice President. The Vice President, in the absence or disability of the President, shall perform the duties of the President. However, in case of death, resignation or disability of the President, the Vice President shall not automatically be elevated to the position of President, and shall perform the duties of the President only until the Board of

Directors has elected a successor to fill the position of President for the remainder of the unexpired term.

Section 3. Duties of the Secretary/Treasurer. The Secretary/Treasurer shall keep a complete record of all meetings of the Association and of the Board of Directors, including preparation of minutes in accordance with the Open Meetings Act, and shall have general charge and supervision of the books and records of the Association. The Secretary/Treasurer shall collect all assessments and monies due to the Association and deposit same in the depository designated by the Board of Directors, shall disburse funds on the proper order of the Board of Directors, and shall prepare and submit financial reports to the Board of Directors at their direction. The Secretary/Treasurer shall attest the President's signature on membership certificates and other documents and papers pertaining to the Association's activities unless otherwise directed by the Board of Directors. The Secretary/Treasurer shall serve, mail or deliver all notices required by law and by these Bylaws and shall make a full report on business and financial matters of the Association to the members at the annual meeting of members, and as otherwise may be required by the Board of Directors. The Secretary/Treasurer shall maintain the membership records of the Association and all certificates and papers issued by the Association. The membership records of the Association shall include as a minimum the location served, the name of the Member, the date of issuance, surrender, transfer, termination, cancellation or forfeiture of the membership certificate, and all financial records relating to the payments made and financial obligations incurred to the Association by each Member. The Secretary/Treasurer shall have the assistance of appropriate employees, contractors or agents to complete the duties set forth herein, and the Board of Directors shall have the duty to provide for such assistance. Upon election of a successor to the position of Secretary/Treasurer, the Secretary/Treasurer leaving office shall promptly turn over all book, records, and other property of the Association in his or her possession.

Section 4. Employees, Contractors and Agents. The Board of Directors may appoint, in addition to the officers designated above, such other employees, contractors or agents as may be necessary to manage the construction, improvement, operation, repair, rehabilitation and maintenance of the Oshara wastewater collection system and treatment plant and any other utilities or facilities owned or operated by the Association. The Board of Directors shall provide for the employment or contracting of such employees, contractors or agents and their compensation for the services rendered, in accordance with all applicable law, including the New Mexico Procurement Code and applicable laws governing the retention of public employees.

Section 5. Property of the Association. All officers and employees shall return to the Association all property, records or financial assets of the Association in their possession, immediately upon the completion of the officer's or employee's term of office or employment. The Board of Directors shall ensure that that this requirement is incorporated into any agreements with agents, contractor or employees.

ARTICLE VII
CHARGES, RATES AND ASSESSMENTS FOR UTILITY SERVICES

Section 1. Wastewater Utility Services. Wastewater utility services shall be provided only to users who are Members of the Association. Service connections will be made only upon application to the Association and upon approval by the Board of Directors or the Board's authorized designee, and upon payment of all required charges and fees. All connections shall be made by or under the supervision of a New Mexico licensed utility contractor or New Mexico licensed plumber. Upon acquisition of the wastewater utility collection system and treatment plant as anticipated in the Certificate of Association and these Bylaws, persons already connected to the wastewater collection system and the treatment plant shall be allowed sixty (60) days to apply for Association membership.

Section 2. Establishing Utility Rates and Charges; Annual Budget. The Board of Directors shall establish a rate schedule for services provided by the Association. The rates, schedules and charges may include, but shall not necessarily be limited to:

- a. Membership initiation fees;
- b. A base monthly service fee for each active connection;
- c. A base monthly service fee for each inactive connection;
- d. A standby charge for the privilege of connecting to the Association's utility service at some date in the future;
- e. Assessments based on the type of service provided or the volume of discharge to the wastewater collection system, either measured or based on reasonable calculations of the expected discharge for the type of facility served;
- f. A connection charge;
- g. An assessment to cover the cost of extending service to the customer;
- h. Rates for the use of non-potable water supplied for irrigation or other purposes;
- i. Charges or penalties for improper use of the system or for violation of any rules and regulations duly adopted by the Board of Directors; and
- j. A transfer fee for transfer of membership to a new owner.

Annually before each fiscal year the Board of Directors shall review the rate schedule and the anticipated revenues from service fees and from other sources to assure that sufficient income will be generated to cover the anticipated costs and expenses during the coming fiscal year. The Board of Directors shall thereupon determine and set a budget for the anticipated revenues and costs of the Association during the coming year, taking into account regular costs and expenses, possible emergencies, and a reserve fund for non-major capital items.

Section 3. Additional Assessments. If at any time prior to the end of a fiscal year it appears, in the judgment of the Board of Directors, that the anticipated revenues derived from rates, charges and other sources during the coming fiscal year will be insufficient to pay, when due, all costs incident to the operation of the Association's utility system and the debts and other obligations of the Association, if any, the Board of Directors shall make and levy an assessment against each Member of the Association in an amount sufficient that the amount of the

assessment along with other anticipated revenues of the Association is reasonably expected to cover all costs of operation of the utility system and all other debts and obligation of the Association coming due during the coming fiscal year.

Section 4. Collection of Amounts Due. The Board of Directors shall have the authority to discontinue wastewater utility service, to file liens, to initiate legal action, or to take such other actions as may appear necessary and appropriate for the recovery of amounts owed to the Association.

Section 5. Payment for Services; Prohibition of Free Services. All wastewater utility services provided by the Association shall be invoiced and paid at the applicable rates and charges set by the Board of Directors. All payments for wastewater utility services shall be made in U.S. currency and recorded in the books of the Association. No person or entity shall be granted reduced rates, free wastewater services, free or reduced hook-up or standby fees, or any other reduction in rates and fees, whether in compensation for services, contract, employment, granting of easement or for any other reason. Compensation to agents, contractor and employees of the Association shall be in U.S. currency and recorded in the books of the Association.

Section 6. Undevelopable Properties. Properties that are undeveloped and undevelopable for any use that might require wastewater utility services, such as but not limited to properties dedicated for use solely as open space, parks, roadways or parking on the most recent master plan or master plan amendment including such properties and filed of record in the office of the Santa Fe County Clerk, and properties that as a consequence of zoning or other legal restrictions cannot be developed for any use that could require wastewater utility services, shall be exempt from rates, schedules and charges of the Association. However, standby charges and other applicable charges may be imposed if at any time there is a master plan amendment or other change in status such that the property becomes developable, such charges commencing no earlier than the date of the change in status.

ARTICLE VIII SERVICE STANDARDS AND REQUIREMENTS

Section 1. In General. Every Member is entitled to one (1) residential or commercial service connection for each membership in the Association. If there is a need for additional service connections, the Member may apply for and obtain an additional membership for each connection needed, upon compliance with all applicable regulations and payment of the required fees and costs for the additional connection.

Section 2. Prudent Use; Compliance with Rules. Members shall take appropriate action to safeguard the integrity and quality of the wastewater utility system and the quality of surface and ground waters in Oshara Village. Members shall be responsible for using the supplied wastewater services and non-potable water produced by the system prudently, safely, and in accordance with any and all rules of the Association as determined by the Board of Directors from time to time. Unnecessary use or wasting of water during irrigation or other outdoor usage shall not be permitted. Members not in compliance with these requirements may be warned in writing of any observed violation. Second and subsequent violations may also be

subject to a financial penalty levied against the offending Member in such amount as shall be established in the rules and rates adopted by the Board of Directors or by vote of the membership.

ARTICLE IX MISCELLANEOUS PROVISIONS

Section 1. Form of Membership Certificate. The Board of Directors will determine the form of the certificate of membership issued to Members upon application and approval. The certificate of membership shall be signed by the President, whose signature shall be attested by the Secretary/Treasurer. The certificates of membership shall be numbered and dated, shall include the name of the Member and the service address, and shall include such other statements or representations as may be required by law or authorized by the Board of Directors.

Section 2. Membership Records. As a part of the records of the Association, there shall be kept a membership book which will contain a list of the certificates of membership issued by the Association, with the number of each certificate, the date thereof, the associated service address, and the name and address of the person to whom issued.

Section 3. Transfer and Purchase of Membership. Certificates of membership may be transferred to a new property owner, but not to a new property or service address, provided that any required transfer fee has been paid to the Association and that the transferee is eligible for membership in the Association. Any indebtedness to the Association must be paid in full before the transfer is processed and recorded in the books of the Association. It shall be the responsibility of the transferee to notify the Association within ten (10) business days after any change of ownership leading to a change in membership or a change in the responsibility for payment of amounts due to the Association for membership and for utility services.

Section 4. Membership Status and Good Standing. Membership status in good standing with the Association entitles the Member to receive wastewater collection and treatment service at the Member's service address whether or not the Member is presently using the service. A Member who is not presently using the service may be required to pay a standby charge or other fees or charges as determined from time to time by the Board of Directors, and shall then have the right to a connection at the service address when needed, upon payment of the current connection charge for that location.

Section 5. Termination of Service. In the event that a dwelling, structure or other place of service is removed, eliminated or abandoned with no intent to resume any use requiring wastewater utility service, the Association, in the sole discretion of the Board of Directors, may eliminate or remove the service connection, or may elect to leave the connection in place for possible future use.

**ARTICLE X
AMENDMENT OF THE BYLAWS**

These bylaws may be repealed or amended by a resolution adopted by the vote of the majority of the Members voting at any annual meeting of the Members or at any special meeting of the Members called for that purpose; provided, however, that if the Association has incurred and there remains outstanding any indebtedness of the Association, whether in the form of bonds or loans or otherwise, the Members shall not have the power to change the purposes of the Association so as to decrease its rights or powers or to impair the validity and security of the debt outstanding, or to waive any requirement of the bond or other debt or any provision for the safety and security of the funds of the Association or its Members, or so amend the bylaws as to effect a fundamental change in the policies of the Association without the written approval of the New Mexico Environment Department. Any resolution amending these bylaws, upon adoption by the membership, shall be authenticated by the signatures of the President and the Secretary/Treasurer, and a copy thereof shall be filed of record in the office of the Secretary of State or other authority in the same manner as the original Certificate of Association and bylaws, in accordance with Section 3-29-19, NMSA 1978.

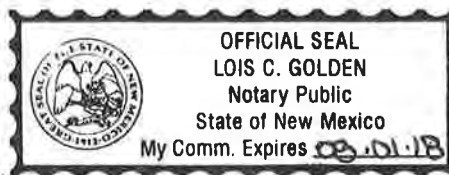
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

The foregoing Bylaws were acknowledged before me this 8 day of
December, 2016 by George Brown, as Incorporator of Oshara Mutual Domestic
Wastewater Association.


Notary Public


My Commission Expires:

08.01.2018



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

The foregoing Bylaws were acknowledged before me this 8th day of
DECEMBER, 2016 by PETER D. MURPHY, as Incorporator of Oshara Mutual Domestic
Wastewater Association.


Notary Public

My Commission Expires:

08.01.2018

