

BY-LAWS OF THE SANTA FE BASIN WATER ASSOCIATION
[Originally filed with the New Mexico State Corporation Commission June 19, 1979.
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ARTICLE I- OFFICES

The principal office of the corporation in the State of New Mexico shall be located in the County of Santa Fe. The corporation shall have and continuously maintain in the State of New Mexico, a registered office and a registered agent whose office is identical with such registered office. The registered office may be, but need not be, identical with the principal office in the State of New Mexico, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II- MEMBERS

1. QUALIFICATIONS AND RIGHTS OF MEMBERS.

- a. Regular Members: Any adult person who is a resident of the State of New Mexico, or is the owner of real estate located within Santa Fe County or immediately adjacent thereto, may become a member of the corporation by paying the dues described. Each Regular Member shall be a voting member.
- b. Special Member: Any non-profit association, corporation, or group who desires to be a member and is not otherwise eligible to be a Regular Member of the corporation may be a Special Member by the payment of dues which shall be the same as the dues payable by Regular Members. Each Special Member shall be a voting member.
- c. Voting Rights: Each voting member shall be entitled to one vote per membership.
- d. Resignation: Any member may resign from the corporation but no dues will be refunded. Resignation shall not prevent a reapplication for membership at any subsequent date.

2. TRANSFER OF MEMBERSHIP.

Membership in this corporation is not transferable or assignable.

ARTICLE III- MEETINGS OF MEMBERS

1. ANNUAL MEETING

Annual meeting of the members shall be held during March at such time and place as the Board of Directors shall designate, beginning with the year 1980, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the date designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be done.

2. SPECIAL MEETING.

Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth (1/10) of members.

3. PLACE OF MEETING

The Board of Directors may designate any place within Santa Fe County as the place of the meeting for any annual meeting or for any special meeting called by the Board of Directors.

4. NOTICE OF MEETINGS.

Written notice stating the place, day and hour of the annual meeting of members shall be delivered personally, by mail, or by electronic mail to each member not less than ten days before the date of such meeting. Notification of special meetings may be made personally, by electronic mail, or by telephone. The purpose or purposes for which any special meeting is called shall be stated in the notice, and only those items stated in the notice for the special meeting can be acted upon at that meeting.

5. QUORUM.

The lesser of ten percent of the total number of voting members of the corporation or twenty voting members shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting.

6. PROXIES.

There will be no entitlement of members to vote by proxy.

7. VOTING BY MAIL.

The members will vote for election of directors in person at meetings where directors are elected.

ARTICLE IV- BOARD OF DIRECTORS

1. GENERAL POWERS.

The affairs of the corporation shall be managed by its Board of Directors, except (1) that the annual budget of the corporation shall be presented to the Members for ratification at the annual meeting and (2) that the corporation can be dissolved by a two-thirds majority vote of the voting members.

2. NUMBER, TENURE AND QUALIFICATIONS.

The number of directors shall be not fewer than three and not more than seventeen, as determined by the Board of Directors from time to time. Each director shall hold office until his or her successor has been elected and qualified at an annual meeting. After any annual meeting when the number of directors is increased, the elected directors shall draw lots to determine

whether each such director shall serve a one-year or two-year term. One more than half of the incrementally elected directors shall serve for two years. The remainder of the initially elected directors shall serve for one year. Thereafter, upon expiration of the initial terms, all directors shall be elected for a term of two years.

The directors may appoint, from time to time, up to three positions on the Board of Directors reserved for a representative of a Special Member. This shall be at the discretion of the sitting Board, but such decisions will be guided by the size and representation of the Special Member, and by the alignment of the interests of the Special Member with those of the corporation. Such appointed Directors will be named by the Special Member, and may be replaced at their discretion. An appointed Director will have voting rights equal to those of elected Directors, except in matters pertaining to the appointment; but at all times a majority of the Board shall be comprised of elected Directors. The sponsoring Special Member must be a Member in good standing of the corporation.

Except as provided in the preceding paragraph, Directors shall be Regular Members of the corporation.

3. REMOVAL.

Any director elected by the Members or appointed by the Board of Directors may be removed by a two-thirds vote of the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby. Removal of a director elected by the Members shall be binding 60 days following the removal vote by the Board of Directors unless a majority of voting members at a regular or special meeting vote in favor of retaining the director.

4. REGULAR MEETINGS.

A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of the members. The Board of Directors may provide by resolution the time and place within the State of New Mexico for the holding of additional regular meetings of the Board without other notice than such resolution.

5. SPECIAL MEETINGS.

Special meeting of the Board of Directors may be called by or at the request of the President or any three directors. The person or persons authorized to call special meetings of the Board may fix any place within Santa Fe County as the place for holding any special meeting of the Board called by them.

6. NOTICE.

Notice of any special meeting of the Board of Directors shall be given at least twenty-three hours previously thereto by telephone, electronic mail, or by written notice to each director.

7. QUORUM.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting. Participation by telephone or electronic equivalent means shall constitute presence in person at a meeting.

8. MANNER OF ACTING.

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

9. VACANCIES.

Any vacancy occurring in the Board of Directors may be filled by election by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

10. COMPENSATION.

Directors as such shall not receive any stated salaries for their services; but nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

11. CONFLICT OF INTEREST.

A director of the corporation who has a financial interest not shared with a majority of other directors which may be affected by an official act of the Board of Directors shall declare such interest prior to discussion and voting. Such declaration shall be entered into the minutes of the meeting. The director who has stated his or her conflict of interest shall abstain from voting on the issue.

12. INFORMAL ACTION BY DIRECTORS.

Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if consent is given by telephone to be later confirmed in writing or by electronic mail.

13. EXECUTIVE COMMITTEE.

The President, Vice President, and either the Secretary or Treasurer shall constitute the Executive Committee of the Board of Directors. The Executive Committee is authorized to act on behalf of the Board of Directors if, in the judgment of a majority of the Executive Committee, an emergency condition exists which precludes a formal action by the Board of Directors or an Informal Action by Directors. All actions taken by the Executive Committee shall be presented for ratification at the next meeting of the Board of Directors.

ARTICLE V- OFFICERS

1. OFFICERS.

The officers of the corporation shall be a President, Vice President, a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors.

2. ELECTION AND TERM OF OFFICE.

The officers of the corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified.

3. REMOVAL.

Any officer elected or appointed by the Board of Directors may be removed by a two-thirds vote of the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

4. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5. PRESIDENT.

The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He or she shall preside at all meetings of the members and of the Board of Directors. He or she may sign, with the Secretary or any other proper officers of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the corporation; and in general he or she shall perform all duties as may be prescribed by the Board of Directors from time to time.

6. VICE PRESIDENT.

In the absence of the President or in event of his or her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such

other duties as from time to time may be assigned to him by the President or by the Board of Directors.

7. TREASURER.

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these By-Laws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

8. SECRETARY.

The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors, see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the corporation records; keep a register of the post-office and electronic mail address of each member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

9. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.

If required by the Board of Directors, the Assistant Treasurers and Assistant Secretaries shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or the President or the Board of Directors.

ARTICLE VI- COMMITTEES

1. COMMITTEES.

Committees may be appointed in such manner as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. The President of the corporation shall appoint the members thereof. Any member thereof may be removed by the President or a majority of the Board of Directors, whenever in their judgment the best interests of the corporation shall be served by such removal.

2. TERM OF OFFICE.

Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.

3. CHAIRMAN.

One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

4. VACANCIES.

Vacancies in the membership of any committee may be filled by appointments in the same manner as provided in the case of the original appointments.

5. QUORUM.

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Participation by telephone or electronic equivalent means shall constitute presence in person at a meeting.

ARTICLE VII- CHECKS, DEPOSITS AND GIFTS

1. CHECKS, DRAFTS, ETC.

All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the corporation.

2. DEPOSITS.

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may elect.

3. GIFTS.

The Board of Directors may accept on behalf of the corporation a contribution, gift, bequest or devise for the general purpose of for any special purpose of the corporation.

ARTICLE VIII- BOOK AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member or his or her agent or attorney, for any purpose at any reasonable time.

ARTICLE IX- FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE X- DUES

1. ANNUAL DUES.

The Board of Directors may determine from time to time the amount of any annual dues payable to the corporation by members.

2. PAYMENT OF DUES.

Dues for any fiscal year shall be due and payable at the beginning of the fiscal year.

3. DEFAULT AND TERMINATION OF MEMBERSHIP.

When any member shall be in default in the payment of dues, his or her membership shall be terminated.

ARTICLE XI- INDEMNITY

The corporation shall indemnify each director and officer of the corporation, and their heirs, legal representatives and assigns, against expenses and liabilities reasonably incurred in connection with any actions, suit or proceedings in which the director or officers is involved or made a party by reason of being or having been such, except in relation to matters as to which the indemnitee shall be adjudged to be liable for negligence or misconduct in the performance of duty to the corporation. The foregoing right of indemnification shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law and shall include reimbursement of any amount and expenses paid or incurred in settling any such action, suit or proceeding when such settlement has been approved by the Board of Directors.

ARTICLE XII- AMENDMENTS TO BY-LAWS

The By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority of the voting members present at any regular meeting or any special meeting of the

voting members at which a quorum is present, if at least ten days' prior to the meeting, written notice is given of intention to alter, amend or repeal or to adopt new By-Laws at such meeting. All amended, altered, repealed or new By-Laws adopted by this Corporation shall be filed with the State Corporation Commission of the State of New Mexico as required by the Laws of the State of New Mexico.

ARTICLE XIII- DEFINITIONS

“Any Adult Person” means an individual 18 years of age or over.

“Resident” means a person who actually resides within the State of New Mexico with the intention of making his or her place of residence his or her home for the indefinite future.

/s/ John McGill
PRESIDENT, BOARD OF DIRECTORS

/s/ Carl Dickens
SECRETARY, BOARD OF DIRECTORS