



NEW MEXICO PUBLIC REGULATION COMMISSION

Certificate Of Incorporation

OF

EAST CULPEPPER FLATS DOMESTIC WATER CONSUMERS ASSOCIATION

4573242

The Public Regulation Commission certifies that the Articles Of Incorporation, duly signed and verified pursuant to the provisions of the

Sanitary Projects Act

(3-29-1 To 3-29-19 NMSA 1978)

have been received by it and are found to conform to law. Accordingly, by virtue of the authority vested in it by law, the Public Regulation Commission issues this Certificate Of Incorporation and attaches hereto a duplicate of the Articles Of Incorporation.

Dated : **January 30, 2012**

In testimony whereof, the Public Regulation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the city of Santa Fe.

Stacy Starr Garcia

Bureau Chief

Patrick H. Lyons

Chairman

ARTICLES OF INCORPORATION
Of

East Culpepper Flats Domestic Water Consumers Association

KNOW ALL PERSONS BY THESE PRESENTS:

That we, the undersigned incorporators, whose names and addresses are as follows:

NAME:	ADDRESS:
<u>Ralph Williams</u>	<u>PO Box 224 La Plata, New Mexico 87418</u>
<u>Charlie Eppard</u>	<u>PO Box 441 Aztec, New Mexico 87410</u>
<u>Jim Leshner</u>	<u>PO Box 263 Farmington, New Mexico 87499</u>
<u>John Wayne</u>	<u>108 Llano St. Aztec, New Mexico 87410</u>
<u>Randy Bondow</u>	<u>PO Box 546 La Plata, New Mexico 87418</u>
<u>Susan Taylor</u>	<u>PO Box 1341 Aztec, New Mexico 87410</u>
<u>Derril Gleim</u>	<u>PO Box 61 Aztec, New Mexico 87410</u>

Have associated ourselves together for the purpose of forming a non-profit association in accordance with the provisions of the SANITARY PROJECTS ACT, Section 3-29-1 through 3-29-21, New Mexico Statutes, Annotated 1978, as amended; and do so hereby make executive and acknowledge in duplicated these ARTICLES OF INCORPORATION in writing. There is no contiguous incorporated municipality or water and sanitation district able to provide these services.

Article I
Corporate Name

The corporate name of this association shall be: East Culpepper Flats Domestic Water Consumers Association.

Article II
Term

The association shall have perpetual existence.

Article III

Article V

Election of Officers

The business and affairs of this Association shall be conducted and managed by a Board of Directors, consisting of five (5), or any odd number all of whom shall be Members in good standing of this Association.

The Members of the Board of Directors shall be elected biannually-every two years from the Membership of the Association, for staggered terms.

There shall be elections every two (2) years. The members of the Board of Directors shall be elected to three year terms. Three Directors shall be elected each election, on a rotating group of three (3) basis for staggered terms, such that each position on the Board of Directors shall be voted on by the members over a three year period.

Officers shall be selected from the elected directors in the manner provided in the Association Bylaws.

Article VI

Membership

The Association shall have no capital stock and no shares of stock shall be issued by said Association to its Members. Membership in this Association shall be represented and evidenced by a Membership Certificate issued by the board of directors.

All persons within the association who participate, or desire to participate, in this project, may become members of the association, as specified in the bylaws, and upon complying with the Rules and Regulations herein. Any person or persons who did not participate in the original project shall apply to the Board to be admitted to the membership of the association upon payment to the association of a reasonable fee, as determined by the Board of Directors, and as specified in the Rules and Regulations and compliance with the Bylaws and Rules and Regulations.

Article VII

Voting

That, notwithstanding any provision which may be made in the bylaws of this association for the issuance of more than one Membership Certificate to one natural person being a member of the association for the purpose of equalizing assessments against Membership Certificates on the basis of services rendered by the Association, each person being a Member shall be entitled to one and only one vote in the affairs and business of this Association regardless of how many Membership Certificates he or she owns in the property.

There shall be no voting by proxy. Voting by mail shall be allowed only if provided for and in the manner as provided by in the bylaws of this association. Mail votes shall be counted to the extent as provided in the bylaws in the computing of a quorum for the holding of a meeting of members.

Principal Address

The principle office of this association shall be at: 108 Llano St. Aztec, New Mexico

Article IV

Purpose

The objects and purposes for which the association is formed are as follows:

- Section 1. To associate its members together for their mutual interest and benefit and to that end, to acquire, construct, install, maintain and operate a water and/or sewer system for the supplying and distribution of water for domestic uses and/or for the collection of sewage for its members; and to engage in any activity related thereto, including, but not limited to, the acquisition of water by purchase, appropriation, lease or otherwise; and the diversion and storage thereof; the drilling, pumping and purchase; laying installation; operation, maintenance and repair of wells, pumping equipment, canals, ditches, structures, pipelines, valves and all other material and equipment necessary to the construction, repair, maintenance and operation of a complete domestic water supply distribution system and a sewage collection and treatment facility.
- Section 2 To borrow from any source, money, goods or services and to pledge or mortgage any of its property as security therefore, in any manner permitted by law.
- Section 3. To acquire and hold, own and exercise all rights of ownership in and to sell memberships to the association.
- Section 4. To buy, lease, hold and exercise all privileges of ownership in and to the real or personal property as may be necessary or convenient for the conduct and operation of the association.
- Section 5. To levy assessments and make charges for water and sewer services in such manner and in such amount as may be provided in the bylaws of this association. The bylaws shall reflect that the recurring annual fees and periodic assessments will be applicable to all members and will provide funds to be used for the acquisition, construction, improvement and maintenance of its works and for the necessary operations expenses.
- Section 6. To have and to exercise all power, privileges and rights conferred on nonprofit associations or corporations by the Laws of the State of New Mexico, all of which are hereby expressly claimed, including all powers which may be necessary, convenient or expedient for the accomplishment of the purposes of this association, except such powers as are inconsistent with the provisions of the Act under which this association is incorporated.
- Section 7. The principle activities and business of this association will be carried on in San Juan County, State of New Mexico, but its entire business and activities will not necessarily be limited to said County.

Article VIII
Dissolution, Merger, Reincorporation

In the event this Association shall be directed by the Members to dissolve, the Board within the time designated by the Members or any extension thereof, shall liquidate the assets of this Association and shall pay its debts and expenses, shall return to the Members the amount of the Membership fees paid for Membership certificates and shall distribute any surplus among the Members upon the basis of their patronage during the period of six years immediately preceding the dissolution.

In the event this Association shall be directed by the Members to merge with another entity (s), the Board within the time designated by the Members or any extension thereof, shall create a merger plan and execution there of with minimum impact in the services provided to the membership and within the process as provided by state statute. The association will merge assets and liabilities and will dissolve the corporation.

In the event this Association shall be directed by the Members to reincorporate, the Board within the time designated by the Members or any extension thereof shall follow the process as provided by law.

Article IX
Amendments

These articles may be repealed or amended by a vote of the majority of the Members present at any Annual Meeting of the Association, provided that there is quorum, or at any special meeting of the Association called for that purpose, except that so long as any indebtedness is held by or guaranteed by the USDA/Rural Development, the Members shall not have the power to change the purposes of the Association so as to decrease its rights and powers under the laws of the State, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the Association or its Members, or to amend the articles as to effect a fundamental change in the policies of the Association without prior approval of the USDA/Rural Development in writing.

Article X
Registered Agent

The board of directors will designate a registered agent for the Association. The initial registered office address of the registered agent is 108 Llano St. Aztec, NM . The initial Registered Agent is John Wayne.

IN WITNESS WHEREOF, we, the incorporators, have set our hands and seals this 25th day of January, 2012.

[Signature] _____ (Signature & Title)

[Signature] Inc. _____ (Signature & Title)

[Signature] Inc. _____ (Signature & Title)

Charles R. Espard, Inc. _____ (Signature & Title)

[Signature] Inc. _____ (Signature & Title)

[Signature] Inc. _____ (Signature & Title)

[Signature] INC. _____ (Signature & Title)

[Signature] Inc. _____ (Signature & Title)

STATE OF NEW MEXICO)
COUNTY OF SAN JUAN)
The foregoing instrument was acknowledged before me this 25th day of January, 2012.
By those persons signing above.

(Seal)

Mary Lou Espard 2/10/2012
Notary Public My Commission Expires

The total number of members of this Association is: 8

The total number of dwelling units which can be served upon completion of the project is estimated at 40.

Following is a list of members of the Association (to be inserted):

Mary Lou Espard
Secretary