

**CERTIFICATE OF ASSOCIATION**  
**of the**  
**SKY COUNTRY ESTATES MUTUAL DOMESTIC WATER CONSUMERS**  
**ASSOCIATION**

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KNOW TO ALL PERSONS:

Having associated ourselves together for the purpose of forming a non-profit Association in accordance with the provisions of the SANITARY PROJECTS ACT (“SPA”), Section 3-29-1 through 3-29-20, New Mexico Statutes, Annotated 1978, as amended; and do so hereby make executive and acknowledge in duplicated this CERTIFICATE OF ASSOCIATION in writing. This Certificate of Association supersedes the Articles of Incorporation of Sky Country Estates Mutual Domestic Water Consumers Association (MDWCA) and all amendments to the Articles of Incorporation.

**Article I**

The corporate name of this Association shall be:  
Sky Country Estates Mutual Domestic Water Consumers Association (MDWCA)

**Article II**

The Association shall have perpetual existence.

**Article III**

The principal office of this Association shall be at:  
3 Polaris Point  
Cloudcroft, NM 88317

**Article IV**

The objectives and purposes for which the Association is formed are as follows:

**Section 1.** To associate its Members together for their mutual interest and benefit in sanitary facilities, and to that end, to acquire, construct, install, maintain and operate a water and/or wastewater system for the supplying and distribution of water for domestic and commercial uses and/or for the management, collection, treatment, or reuse of wastewater 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 community water supply distribution system and a permitted onsite or central wastewater 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 in 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 acquire and hold, own and exercise all rights of ownership in and to sell, transfer or pledge shares of capital stock or memberships of any corporation or association engaged in related activities.
- Section 6.** To levy assessments and make charges for water, wastewater and related services in such manner as may be provided in the Bylaws of this Association.
- Section 7.** To have and to exercise all power, privileges and rights conferred on Mutual Domestic Associations by the SPA and 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 SPA under which this Association is incorporated.
- Section 8.** The principal activities and business of this Association will be carried on in Otero County, State of New Mexico, but its entire business and activities will not necessarily be limited to said County.

**Article V**  
**Election of Directors**

The business and affairs of this Association shall be conducted and managed by a Board of Directors, consisting of five (5) directors as specified in the Association By-laws, all of whom shall be Members in good standing of this Association.

The Members of the Board of Directors shall be elected annually for staggered terms of two years in length pursuant to the Association By-laws. Three directors shall be elected at the initial annual meeting for 2-year terms and two directors shall be elected for 1 year terms to establish the staggered terms.

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 and Service Agreement as specified in the bylaws. Property owners within the Association who participate, or desire to participate, in the Association, may become Members of the Association upon complying with the Association Bylaws and Rules and Regulations prescribed by the Board of Directors.

#### **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 a property owner 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 landowner being a Member shall be entitled to one and only one vote in the affairs and business of this Association regardless of how many memberships they own. The manner in which Members may vote in the affairs of the Association shall be as established in the Association Bylaws. Voting by proxy and/or by mail shall be allowed only if provided for in the Bylaws and in the manner stated in the Rules and Regulations of this Association.

#### **Article VIII**

##### **Dissolution, Merger, Reincorporation**

In the event this Association shall be directed to dissolve by its Members, as provided by law, the Board of Directors shall liquidate the assets of this Association and shall pay its debts and expenses. Any surplus shall be transferred to another corporation organized under the Sanitary Project Act, another community water system organized as a public body or political subdivision, or to any entity of municipal, county, or state government engaged in providing domestic water supply in the community.

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 thereof with minimum impact in the services provided to the membership and within the process as provided by state statute.

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 majority vote of a quorum of the Members present at any annual meeting of the Association, or at any special meeting of the Association called for that purpose, except that 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.

