

**BYLAWS
Of
PENDLETON WATER ASSOCIATION, INCORPORATED**

ARTICLE I

General Purposes

The purposes for which this corporation is formed, and the powers which it may exercise are set forth in the articles of incorporation of the corporation.

ARTICLE II

Name and Location

Section 1. The name of this corporation is Pendleton Water Association, Incorporated. Hereafter, referred to as 'association' or 'corporation.'

Section 2. The principal office of this corporation is located at 62 Queens Road, Town of Many, Parish of Sabine, State of Louisiana.

ARTICLE III

Fiscal Year

The fiscal year of the corporation shall begin the first day of January in each year.

Article IV

Membership

Section 1.

Membership will be limited to those who obtain the organization's services by completing an Application for Service, an Association Membership agreement, and paying the associated fees. Membership will not be denied because of the applicant's race, gender, color, creed, or national origin.

Section 2.

Every person (which word as used herein includes any legal entity) who is a record owner of a fee or undivided fee interest, or having a substantial possessory interest (see below) in a property served by the water system may become a member of the association upon signing such applications and

agreements for the purchase of water as may be provided and required by the association and upon payment of such fee or fees as may be imposed by the Board. Only one membership may be held by any person. A single membership may be issued to all persons owning or having a substantial possessory interest in the property.

A. A substantial possessory interest is one where the person or persons have a legal right to control the occupancy of a property but do not have the legal or the equitable ownership of a property. It may be under a lease or similar right to possession.

1. Before membership is allowed to one or more persons claiming such an interest, the association will endeavor to obtain the application from owner of such property.

2. Where membership is granted to one or more persons having a substantial possessory interest, the corporation as a condition to the membership may require such applicant(s) to post such collateral or bond as the board of directors determine necessary to fully protect the corporation from any additional risk that may be involved to the corporations by reason of the lack of legal ownership in the applicant.

Section 3. Each member shall have only one membership hence one vote, regardless of the number of service connections he may obtain to serve his property or properties. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the certificate is registered or by such person as the several persons may designate in writing, but in no event shall more than one vote be cast with respect to any property.

Section 4. A member shall transfer his membership in the association as part of the transaction whereby he disposes of his interest in said property. Such transfer will be made only to a person who obtains a qualifying interest in the property.

Section 5. When membership in the corporation is not transferred, it shall terminate upon the disposition of other termination of the member's interest in the property. Membership also may be terminated by action of the board of directors where use of the property is changed so as to materially increase the amount of water consumed to the prejudice of other existing members or to the prejudice of the orderly operation of the system.

Section 6. In the event a member's property interest is divested other than voluntary means, such member's membership will pass to the trustee, receiver, executor, or the like who will be entitled either in person or through a designated representative to exercise all of the rights incident to such membership, but subject to such duties and liabilities also applicable to the membership. The trustee, receiver, executor, or the like, may terminate such membership by written notice to such effect delivered or mailed to the association. Upon final disposition of such property rights, the owner thereof shall be entitled to membership in like manner as if the membership had been transferred to him by the original member as set forth in Section 4 above.

Section 7. Upon the transfer of a membership, the corporation will not look to the successor in interest for the payment of any past due amounts. The corporation will seek collection only from the individual or person(s) who incurred such charges or assessments or from the property itself if a judgement lien had been duly perfected against such property.

ARTICLE V

Meetings of Members

Section 1. The annual meeting of the members of this corporation shall be held for the purpose of electing board members and for the transaction of any other business authorized to be transacted by the members. The annual meeting shall be held at a time and a place in Sabine Parish designated by the board president no later than November of each year.

Section 2. Special meetings of the members may be called at any time by the actions of the board of directors, and such meetings must be called whenever a petition requesting such meetings is signed by at least ten per cent of the members and presented to the secretary or to the board of directors. The purpose of every special meeting shall be stated in the notice thereof and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of members of the corporation, both regular and special, shall be given a notice mailed first-class mail to each member of record, directed to the address shown upon the books of the corporation, not less than ten or more than forty days prior to such meeting. Such a notice shall state the nature, time, place and purpose of the meeting, but not failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat. Only members in good standing shall be entitled to notice and to vote at such meeting.

Section 4. At any meeting of the corporation, those members in good standing who are present in person shall have authority to transact all business that may come before the meeting. Voting by proxy shall not be permitted.

Section 5. Board members shall be elected via written ballot. Each member of the association shall be entitled to nominate a member in good standing to an available position on the Board. The results will be tallied by the Secretary and the member(s) with the most votes cast will be added to the available position(s) Board. The ballots will be available for inspection to any member who requests a viewing.

Section 6. The order of business at the regular meetings and so far as possible at all other meetings shall be conducted according to the most recent publication of Roberts Rules of Order, and shall be:

1. Call to order and proof of quorum.
2. Proof of notice of meeting.
3. Reading and action on any unapproved minutes.

4. Reports of officers and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE VI

Directors and Officers

Section 1. The board of directors of this corporation shall consist of five persons who have been elected by the members of the association. Each director shall be a member in good standing of the association. The board members are elected for three-year terms with either one or two members elected each year as determined by the staggered nature of board membership. Each director shall hold office for the term for which they are elected and until his/her successor shall have been qualified and elected. Four members of the board of directors shall be bona fide residents of the area served by Pendleton Water Association, Inc. and such residence shall be evidenced by having principal residence within that area, and such residence shall be under homestead exemption as provided by law, and further these board members shall be registered to vote in the elections for public officers in Sabine Parish at a precinct located within or adjacent to the area served. The fifth board member may, at the discretion of the board, be an owner of a business whose primary location is in the Pendleton Water area and this business receives water from Pendleton Water Association even though the owner may not be a resident in the Pendleton Water area.

Section 2. The board of directors shall meet within ten days after the annual election of directors and shall elect a president and vice-president from among themselves. Additionally, a secretary-treasurer will be elected who need not be a member of the board of directors. Each officer shall hold office until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation, or for cause.

Section 3. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, except by removal from office, a majority of the remaining directors, shall by a majority vote, choose a successor who shall hold office until the next regular meeting of the members of the corporation, at which time the members shall elect a director for the unexpired term or terms.

Section 4. A majority of the board of directors shall constitute a quorum at any meeting of the board. The affirmative vote of the majority of the directors at a meeting at which a quorum is present shall be the act of the board.

Section 5. Board members shall receive no compensation for their services as such.

- Section 6. Any board member may be removed from the board:
- A. for failure to perform duties or by conduct which is injurious to the Pendleton Water Association or its purpose
 - B. for absence from two (2) consecutive meetings without notifying the board president
 - C. by the affirmative vote of a majority of the board members present at any regular or special meeting called for that purpose.

ARTICLE VII

Duties of Directors

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation, and these bylaws, shall exercise all of the powers of the corporation, and, without prejudice to or limitations upon their general powers, it is hereby expressly provided that the board of directors shall have, and are hereby given, full power and authority in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the board.

- A. To select and appoint all agents or employees of the corporation, remove such agents or employees of the corporation, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, fix their compensation and pay for faithful service.
- B. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable or non-negotiable instruments evidencing indebtedness of the corporation, to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements and financing statements and other instruments evidencing a security interest in the assets of the corporation; and, to do every act and thing necessary to effectuate the same.
- C. To prescribe, adopt, and amend, from time to time such equitable uniform rules and regulations as, in its discretion, may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.
- D. To order, at least once each year, an audit of the books and accounts of the corporation by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at the next annual meeting, and copies of the report shall be submitted to such parties as may be needed or as may be required by agreement.
- E. To fix and alter charges to be paid by each member for services rendered by the corporation to the member, including connection fees where such are deemed necessary by the directors, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or non-payment of same. The board shall establish one

or more classes of users. All charges shall be uniform and non-discriminating within each class of uses.

F. The corporation requires all officers, agents and employees charged with responsibility for the custody of any of the funds of the corporation to be furnished with adequate bonds, the cost thereof paid by the corporation, and provided by the insurance company.

G. To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing, and disbursing, the funds of the corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such depositories and the person or persons signing such checks and the form thereof at will.

ARTICLE VIII

Duties of Officers

Section 1. Duties of the president. The president shall preside over all meetings of the corporation and the board of directors, call special meetings of the board of directors, perform all acts and duties usually performed by the chief executive and presiding officer, and sign such other papers of the corporation as he may be authorized or directed to sign by the board of directors, provided the board of directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the corporation. The president shall perform such other duties as may be prescribed by the board of directors.

Section 2. Duties of the vice-president. In the absence or disability of the president, the vice-president shall perform the duties of the president; provided, however, that in case of death, resignation or disability of the president, the board of directors may declare the office vacant and elect his successor.

Section 3. Duties of the secretary-treasurer. The secretary-treasurer shall keep a complete record of all meetings of the corporation and of the board of directors and shall have general charge and supervision of the books and records of the corporation. He shall serve, mail, or deliver all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting or at such other time or times as the board of directors may require. He shall keep a proper membership record, showing the name of each member of the corporation and date of issuance, surrender, transfer, termination, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required by the corporation or the board of directors. Upon the election of his successor, the secretary-treasurer shall turn over all books and other property belonging to the corporation that may be in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the board of directors. Some or all of these duties may be delegated to other board members or staff.

ARTICLE IX

Benefits and Duties of Members

Section 1. The corporation will install, maintain, and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipeline or lines to the property lined of each member of the corporation, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the corporation shall be placed. In the event a road bore is necessary to deliver water to the member's property, the member will be responsible for the costs associated with the road bore. Water meters shall remain the exclusive property of Pendleton Water Association, Inc., and may be installed or removed, and may be connected or disconnected to the supply line only by an employee(s) of Pendleton Water Association, Inc., or its duly authorized agent(s). The maintenance costs of the service line or lines from the main distribution pipeline or lines of the corporation to the property line of each member shall be paid by the corporation. The corporation also may purchase and install a cutoff valve in each service line from its main distribution line or lines, such cutoff valve to be owned and maintained by the corporation and to be installed on some portion of the service lined owned by the corporation. The corporations shall have sole and exclusive right to use of such cutoff valve. However, the provisions of this section shall not be construed to require the acquisition or installation of meters of cutoff valves where the board of directors determine under the circumstances of the system and nature of the membership that use of either or both of such devices is impractical, unnecessary to protect the system and the rights of membership, and/or economically not feasible.

Section 2. Each member will be required at his own expense to have a ditch prepared for the connection of the service line or lines from the property line of the member to his dwelling or other portion of his premises, and to purchase and have installed the portion of the service line or lines from his property line to the place of use on his premises. The member will maintain such portion of such service line or lines which shall be owned by the member, at his own expense. The corporation may, if the board of directors so determines, purchase the pipe for and install such portion of such service lines or lines, the cost of which will, however, be paid by the individual members. In addition, each member shall pay such connection charge, if any, as may have been imposed by the board of directors before such member will be entitled to receive water from the system.

Section 3. Each member may be permitted to have additional service lines from the corporation's water system at the discretion of the board of directors upon proper application therefor, and the tender of payment not to exceed the then existing connection charge. The approval by the board of directors of additional service lines to an existing member may be made conditional upon such provisions as the board of directors determines necessary to protect the interests of other members and to allow for the orderly expansion and extension of the system. Each service line shall connect with the corporation's water system at the nearest available place to the place of desired use by the member if the corporation's water system has sufficient capacity to permit the delivery of water through a previously

existing service line. If the corporation's water system is inadequate to permit the delivery of water through a previously existing line, then such service line may be installed at such place designated by the corporation.

Section 4. Each member may be permitted to purchase from the corporation, pursuant to such agreement as may from time to time be provided and required by the corporation, such water as is needed for him for domestic, commercial, agricultural, industrial or other purposes as a member may desire, subject, however, to the provisions of these bylaws and so such rules and regulations as may be prescribed by the board of directors. Each member shall be entitled to have delivered to him through his service lines only such water as may be necessary to supply the needs of each member, including his family business, agricultural or industrial requirements. The water delivered through each service line may be metered separately, and the charges for such water may be determined separately, irrespective of the number of service lines owned by a member.

Section 5. In the event the total water supply shall be insufficient to meet all of the needs of the members of in the event there is a shortage of water, the corporation may prorate the water available among the various members on such basis as is deemed equitable by the board of directors, and may also prescribe a schedule of hours covering use of water for commercial, agricultural or industrial purposes by particular members and require adherence thereto or prohibit the use of water for commercial, agricultural, or industrial purposes; provided, that if at any time the total water supply shall be insufficient to meet all the needs of all members for domestic, livestock, commercial, agricultural or industrial purposes, the corporation must first satisfy all of the needs of all members for domestic purposes before supplying any water for livestock purposes; and must satisfy all of the needs of all members for domestic and livestock purposes before supplying any water for commercial or industrial purposes; and, provided further, that where a member has more than one service line, the corporation may cut off the flow of water to the non-domestic service lines until such time as the supply of water from the system is sufficient to meet the needs of all of the members for domestic and livestock purposes. During such periods of shutoff of additional service lines there shall be no minimum fee charged to the members having such additional service and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the corporation.

Section 6. The board of directors shall recommend the flat minimum monthly rate to be charged each member during the following calendar year for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, the amount of additional charges, if any, for additional water which may be supplied the members, and the amount of penalty for late payments, and shall fix the date for the payment of such charges. A member to be entitled to the delivery of water shall pay such charges at the office designated by the corporation at or prior to the dates fixed by the board of directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

- a. Nonpayment within ten days past the due date will be subject to a penalty of ten percent of the delinquent amount, which percent may be changed at the discretion of the board of directors.

- b. Nonpayment within thirty days from the due date will result in the water being shut off from the member's property without any notice thereof to delinquent member. Upon the payment by the delinquent member of past due water charges and penalties thereon, and any reconnection charge, such member shall be entitled to resumption of the water supply. During the time of such suspension of water to a member, such member shall have no right to vote in the affairs of the corporation.

Section 7. The board of directors shall be authorized to require each member to enter into the water user's agreements which shall embody the principles set forth in the foregoing provisions of these bylaws.

ARTICLE X

Amendments

These bylaws may be repealed or amended by a vote of the majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, the members shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirements of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the bylaws as to effect a fundamental change in the policies of the corporation.

We certify that the foregoing bylaws were duly modified by the members on 9 December 2019 and that the same are in full force and effect and have not been amended.

Secretary-Treasurer

President