

BY-LAWS
OF
THE LAKE VILLAGE WATER ASSOCIATION, INC.
NONPROFIT CORPORATION

ARTICLE I
GENERAL PURPOSES

The purpose for which this corporation is formed, and its 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 the corporation is the LAKE VILLAGE WATER ASSOCIATION, INC.

Section 2. The principal office of this corporation shall be located in Burgin, Mercer County, Kentucky, but the corporation may maintain offices and places of business at such places within the state as the Board of Directors may determine.

ARTICLE III
SEAL

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, State of Kentucky, and corporate deal.

Section 2. The secretary of the corporation shall custody of the seal.

Section 3. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IV

FISCAL YEAR

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

ARTICLE V

MEMBERSHIP

Section 1. The holders of membership certificates of this corporation are its members. Any bona fide occupant of a dwelling, farm, or other property, including schools, churches, businesses, community and eleemosynary organization, corporation, etc., having reasonable accessibility to the source of and who is in need of having water supplied for domestic, livestock, business and other purposes from the water system operated by the corporation and who receives the approval of the Board of Directors may be admitted to membership upon the issuance of a membership certificate and by signing such agreements for the purchase of water as may be provided and required by the corporation; provided that no person otherwise eligible shall be permitted to subscribed for or acquire membership in the corporation if the capacity of the corporation's water system is exhausted by the needs of the existing members. *The membership fee shall be the cost of the tap fee as established by the Board of Directors.*

Section 2. In the case of the death of a member or if a member ceases to be eligible to hold membership as provided in Section 1., or fails to comply with these By-Laws and other requirements, or willfully obstructs the purpose and proper activities of the corporation, the

corporation, through the Board of Directors, may elect to purchase the membership certificate and terminate the membership upon tender to the heirs or legal representatives the membership fee less any indebtedness then due to the corporation. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal from the action of the Board of Directors to a vote of the members at the next regular meeting of the members or a special meeting of the members called for such purpose.

ARTICLE VI

MEMBERSHIP CERTIFICATES

Section 1. This corporation shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. A membership certificate shall be issued to each member as authorized by the Board of Directors and shall be numbered consecutively, in accordance with the order of issue. Each membership certificate shall bear on its face the following statements:

- A. This membership certificate, No. _____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the Articles of Incorporation and By-Laws and amendments to the same of the LAKE VILLAGE WATER ASSOCIATION, INC.
- B. Transfers of membership certificates shall be made only upon the books of the corporation, only to persons eligible to become member, only with the approval of the Board of Directors and only when the member transferring is free from indebtedness to the corporation.
- C. No member of this corporation shall be entitled to more than one vote at meetings of the members or hold more than one of the membership

certificates of the corporation; however, by appropriate written proxy statement, a member may grant a voting proxy for any purpose.

D. As a condition of membership, the member agrees to sign a Water User Agreement for the purchase of water from the corporation as may from time to time be provided and required by the corporation, by and through the Board of Directors.

Section 3. All transfers of membership certificates shall be made only upon the books of the corporation upon the surrender of the certificates covering the same by the holders thereof or by their legal representative but only with the approval of the Board of Directors and only to persons eligible to become members and only when transferring member is free from indebtedness to the corporation.

Section 4. Each member agrees to sign such Water User Agreements as the corporation shall from time to time provide and require by and thru the Board of Directors.

ARTICLE VII

MEETING OF MEMBERS

Section 1. The annual meeting of the members of this corporation shall be held at the Lake Village Water Association office located at 801 Pleasant Hill Drive, Burgin, Kentucky 40310, at 12:00 p.m., on the second Tuesday of April of each year.

Section 2. Notice of meetings of members of the corporation may be given by a notice mailed to each member of record, directed to the address shown upon the books of the corporation, at least ten days prior to the meeting. Such a notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 3. The members present at any meeting of the members shall constitute a quorum at any meeting of the corporation for the transaction of business. The voting powers of the members of this corporation shall be equal, each member shall have one vote only, and voting by proxy shall be allowed.

Section 4. The order of business at the regular meetings and so far, as possible at all other meetings shall be:

1. Calling to order and proof of quorum
2. Proof of notice of meeting
3. Reading and action on any approved minutes
4. Reports of officers and committees
5. Unfinished business
6. New Business
7. Adjournment

ARTICLE VIII

DIRECTORS AND OFFICERS

Section 1. The Board of Directors of this corporation shall consist of five members, all of whom shall be members of the corporation. The directors named in the Articles of Incorporation, or those presently serving, shall serve until their successors are elected and qualified. Three directors shall be appointed by the Boyle County Judge and two directors shall be appointed by the Mercer County Judge. One director shall be appointed for a term of one year; two directors for a term of two years; and two directors for a term of three years. Upon the expiration of a director's term, the new appointment shall be for a term of three years.

Section 2. The Board of Directors shall meet within ten days after the first appointments and within ten days after the annual meeting and shall elect by ballot a president, and vice-president from among themselves, and a secretary-treasurer, each of whom 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. Special meeting of the Board of Directors may be called at any time by the president, or any two directors, on not less than twenty-four hours previous to the previous. Notice of special meeting of the Board of Directors shall be given as provided in Article VII, Section 2 of these By-Laws. Any meeting at which all directors are present shall be legal without notice or waiver. Any director or officer may waive any notice required to be given under these By-Laws. Presence of a director in person shall constitute waiver by him/her of a director's meeting.

Section 4. 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 though not less than a quorum shall, by a majority vote, choose a successor who shall hold office until appointment of a successor by the appropriate county judge.

Section 5. A majority of the Board of Directors shall constitute a quorum at any meeting of the board.

Section 6. Compensation of officers and members of the Board of Directors shall be fixed by the Board of Directors at any regular meeting or special meeting of the members of the corporation.

ARTICLE IX

DUTIES OF DIRECTORS

Section 1. The Board of Directors, subject to the restriction of law, the Articles of Incorporation, or these By-Laws shall exercise all of the powers of the corporation, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and hereby are given full power and authority in respect to the matters and as hereinafter set forth:

- A. To pass upon the qualifications of members, and to cause to be issued appropriate certificates of membership.
- B. To elect or appoint all officers, agents, or employees of the corporation or remove such agents or employees of the corporation at its sole discretion, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, fix their compensation and pay for faithful service.
- C. To borrow from any source, money, goods or services, and to make and issue notes and other applicable negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.
- D. To prescribe, adopt, and amend, from time to time, such equitable uniform rules and regulations, as, in their 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.

- E. To order, at least once each year, an audit of the books and accounts of the corporation by a qualified auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting.
- F. To fix the charges to be paid by each member for services rendered by the corporation to him/er, the time of payment and manner of collection.
- G. To require all officers, agents, and employees charged with responsibility for the custody of any funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation, and it shall be mandatory upon the directors to so require.
- H. To select one or more bank to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing, and disbursing of 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 the banks and the person or persons signing such checks and the form thereof at will.

ARTICLE X

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 an executive and presiding officer, and sign all membership certificates and 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 check, 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 the 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. The Secretary-Treasurer shall sign all membership certificates with the President and such other papers pertaining to the corporation as may be authorized and directed to do so by the Board of Directors. The Secretary-Treasurer shall provide a fidelity bond in an amount to cover an amount equal to the largest sum of money in his/her possession as Secretary-Treasurer at any one time. The Secretary-Treasurer shall make a full report of all matters and business pertaining to the office to the members at the annual meeting. The Secretary-Treasurer shall keep the corporate seal and membership certificate records of the corporation, complete and countersign all certificates issued and affix said corporate seal to all papers requiring seal. The Secretary-Treasurer shall keep a proper membership certificate record, showing the name of each member of the corporation and date of issuance, surrender, cancellation or forfeiture. The Secretary-Treasurer shall make all reports required by him or her to the corporation or the Board of Directors. Upon the election of his or her successor, the Secretary-Treasurer shall turn over all

books and other property belonging to the corporation that he or she may have in his or her possession. The Secretary-Treasurer shall also perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors.

ARTICLE XI

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 system pipeline or lines to the property line of each member of the corporation, at which points, designated as delivery points, meters to be purchase, installed, owned and maintained by the corporation, shall be in place. The cost 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 will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 2. Each member shall be entitled to not more than one service line from the corporation's water system, provided that the member shall be required to pay a fee to be fixed for each service line in excess of one. No new service line or change in an existing service line may be made to interfere with an existing service line or the delivery of water therein. 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 shall be of sufficient capacity to permit the delivery of water through a service line at that place without interfering

with the delivery of water through a prior service line. If the corporation's water system shall be inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such place as may be designated by the corporation. Each member will be required to dig or have dug a ditch for the service line or lines from the property line of the member to his dwelling or other portion of his premises and will also be required to purchase and install the portion of the service line or lines from his property line to the place of use on his premises and to maintain such portion of such service line or lines which shall be owned by the member, at his own expense, provided that the corporation may, if the Board of Directors so determine, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by the individual member.

Section 3. Each member shall be entitled to purchase from the corporation pursuant to such agreements as may from time to time be provided and required by the corporation, such water for domestic, livestock and other purposes as a member may declare, subject, however, to the provisions of these By-Laws and to such rules and regulations as may be prescribed by the Board of Directors each member shall be entitled to have delivered to him through a single service line only such water as may be necessary to supply the needs of the person residing in a single dwelling and of the livestock owned by such persons and for such other purposes as needed. The water delivered through each service line shall be metered and the charges for such water shall be determined separately, irrespective of the number of service lines owned by the member.

Section 4. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the corporation may pro-rate

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 by particular members and require adherence thereto or prohibit the use of water for other purposes; provided that if at any time the total water supply shall be insufficient to meet all of the needs of all of the members for domestic, livestock and other purposes, the corporation must first satisfy all of the needs of all of the members for domestic purposes before supplying any water for other purposes.

Section 5. The Board of Directors shall have the right in any calendar year to determine the flat minimum monthly rate to be charged each member 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, and the amount of additional charges, if any, for additional water which may be supplied the members, shall fix the date for the payment of such charges, and shall notify each member of the amount of such charges and the dates for the payment thereof, a member to be entitled to the delivery of water shall pay such charges at the office of 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. Non-payment within ten days from the due date will be subject to a penalty of ten percent of the delinquent account.
- B. Non-payment within thirty days from the due date will result in the water being shut off from the member's property.
- C. Non-payment for sixty days after original due date will allow the corporation, in addition to all other rights and remedies, to purchase the member's membership certificates and terminate his membership, and, in such event the

member shall not be entitled to receive, not the corporation obligated to supply and water.

- D. In the event it becomes necessary for the corporation to shut off the water from a member's property, a fee of \$45.00, or other amount approved by the Board of Directors will be charged for the reconnection of the service.

Section 6. The Board of Directors shall be authorized to require each member to enter into Water User Agreements which shall embody the principles set forth in the foregoing sections of this article.

Section 7. Membership may be cancelled and/or water service discontinued by the corporation for any rule, regulations, or condition of service and especially for any one of the following reasons:

- A. Misrepresentation in application as to the property or fixtures to be supplied or use to be made of water.
- B. Resale or giving away of water.
- C. Waste or misuse of water due improper or imperfect service pipes and /or fixtures or failure to keep the same in a suitable state of repair.
- D. Tampering with meter, meter seal, service, or valves or permitting such tampering by others.
- E. Connections, cross-connections, or permitting the same, of any separate water supply to the premises which receives water from the corporation.

ARTICLE XII

DISTRIBUTION OF SURPLUS FUNDS

Section 1. It is not anticipated that there will be any net income. If there should be any, then at the end of any fiscal year, after paying the expenses of the corporation for operation and otherwise, and after setting aside reserve, for depreciation of all buildings, equipment and office fixtures, and such other reserves as the Board of Directors may deem proper and after providing for payments on interest and principle of obligations and amortized debts of the corporation, and after providing for the purchase of proper supplies and equipment, the net earnings shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending, and repairing the system and property of the corporation and for such other purposes as the Board of Directors may determine to be for the best interests of the corporation. The said surplus fund or any portion thereof may from time to time at the discretion of the Board of Directors be applied to said debt of the corporation.

Section 2. Any part or the while of such net income may be credited, at the discretion of the Board of Directors, to the indebtedness of the corporation, should any exist, and upon payment of all debts of the corporation, any surplus so remaining to be placed in a reserve account until such time as the Board of Directors shall deem sufficient for the needs of said corporation. Thereafter the Board of Directors may reduce water rates to meet the cost of operation only.

ARTICLE XIII

AMENDMENTS

These By-Laws may be repealed or amended by a vote of a majority of the directors present at any regular meeting of the corporation, or at any special meeting of the corporation

called for that purpose, except that the directors 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 requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or to deprive any member of rights and privileges then existing, or to amend the By-Laws so as to effect a fundamental change in the policies of the corporation. Notice of any amendments to be made at a special meeting of the directors must be given at least ten days before such meeting and must set forth the amendment to be considered.

ARTICLE XIV

BOARD OF DIRECTORS ELECTION

Section 1. In the year in which the three (3) year term of any director is set to expire, all members shall receive notice of the expiration of the current Director's term in February of the election year. The notice may include the sitting Board of Directors' nomination for the Director Position. The notice shall provide all members the opportunity to nominate a person for the expiring Director position and shall provide a deadline for the return of member nominations.

Section 2. If there are two or more nominations under Article XIV, Section 1, and the nominees are qualified pursuant to these by-laws AND accept the nomination, election ballots shall be sent to all members in March of the election year. A deadline for the return of the election ballots shall be included with the election ballots. After the deadline for receipt of the election ballots passes, the ballots shall be counted and certified by the Lake Village Board of Directors' attorney. Election results shall be announced at the annual meeting and the person with the most votes shall take the position of director at the Annual Meeting in April of the election year. In the event of a tie, the sitting Board of Directors who are not up for election in the current year, shall cast the deciding vote. The sitting Board of Directors who are not up for

election in the current year, may, at their discretion, interview each candidate prior to casting the deciding vote.

Section 3: In the event there are no nominations received by any member prior to the nomination deadline, or in the event a member nominee is either not qualified under these by-laws or is qualified and declines the member nomination in writing, the nominee of the Board of Directors shall be named to the expiring Director's term, and no election ballots will be sent to the members.

Section 4: The Lake Village Water Association currently conducts the Board of Directors Election by way of paper ballots sent to all members. The Lake Village Water Association may, at their discretion, conduct the Board of Directors elections by way of on-line or electronic voting should the technology become available to allow each member of the Association to vote on-line or electronically.

ARTICLE XV

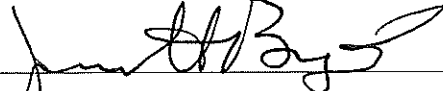
DISSOLUTION

Upon dissolution of Lake Village Water Association, assets shall be distributed for one or more qualifying organizations described in Section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

IN WITNESS WHEREOF, we, the Board of Directors, have a meeting held on the

13th day of April, 2021, adopted the foregoing By-Laws.

BOARD OF DIRECTORS:




James H. Boyd



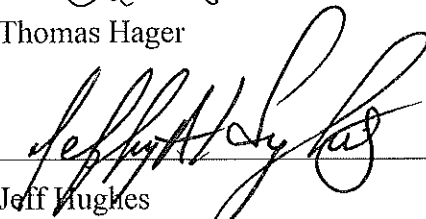
Kenny Carey



Andrea Gross




Thomas Hager



Jeff Hughes

CERIFICATION

I, Andrea Gross, Secretary of the Lake Village Water Association, Inc., a corporation existing under the laws of the State of Kentucky, hereby certify that the attached is a true copy of the By-Laws, together with amendments thereto, as of the 13th day of April, 2021, which have been duly adopted.



Secretary

(SEAL)