

AMENDED BYLAWS OF HIGHWAY 90 RANCH WATER SUPPLY CORPORATION

ARTICLE I

IDENTIFICATION AND OFFICERS

Section 1. *Name and Location.* The name of the Corporation is Highway 90 Ranch Water Supply Corporation, hereinafter referred to as "the Corporation." The registered office of the Corporation shall be located at Castroville, Medina County, Texas, and the mailing address shall be Box 721, Castroville, Texas 78009. Meetings of members and directors may be held at such places within the State of Texas as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "*Corporation*" shall mean and refer to Highway 90 Ranch Water Supply Corporation, a non-profit corporation, organized under the laws of the State of Texas.

Section 2. "*Tap*" shall refer to and mean any water meter and the accompanying pipes and lines located on any of the tracts of land as shown in the plat of Highway 90 Ranch Subdivision, Medina County, Texas.

Section 3. "*Member*" shall mean and refer to every person or entity who holds membership in the Corporation.

ARTICLE III

MEMBERSHIP

Section 1. Every person or entity who is a property owner and a recorded owner of a water meter within the Highway 90 Ranch

Subdivision and who has paid the tap charge for such water meter shall be a member of the Corporation.

Section 2. There will be only one single family residence per platted lot and one water meter per platted lot. Members desiring a second water meter must obtain permission to subdivide from Commissioners Court of Medina County, State of Texas and furnish Highway 90 Ranch Water Supply Corporation with a properly-recorded deed indicating that the property has been surveyed, subdivided and recorded.

Section 3. Each member of Highway 90 Ranch Water Supply Corporation must complete a Water Service Agreement. A copy of this agreement will become a permanent record filed with Highway 90 Ranch Water Supply Corporation.

Section 4. *Suspension of Membership.* During any period in which a member shall be in default in the payment of any monthly or annual assessments for water service levied by the Corporation, the voting rights of such member may be suspended by the Board of Directors until such fee for water service has been paid.

ARTICLE IV

BOARD OF DIRECTORS

SELECTION - TERM OF OFFICE

Section 1. *Number.* The number of directors of the Corporation shall be not less than three nor more than nine. Within these limits, the number of directors may be increased or decreased from time to time by resolution of the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent director.

Section 2. *Election.* At the first annual meeting, the members shall elect three directors for a term of one year.

Should the Board of Directors resolve to increase the number of directors to nine, the first annual meeting of the members shall also elect three directors for a term of two years and three directors for a term of three years, and at each annual meeting thereafter, the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Corporation. In the event of death, resignation or removal of a director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render in his capacity as a director of the Corporation. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 5. Action taken without a meeting. The directors shall have the right to take any action, in the absence of a meeting, which they could take at a meeting by obtaining the verbal approval of a majority of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly with notice, at such place and hour as may be fixed from time to time by resolution of the Board, provided, however, that the Board may, by resolution entered in the minutes, provide for such regular meetings to be held less frequently if the business of the Corporation does not require a meeting each month.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Corporation,

or by any two directors, after attempt has been made to notify each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be taken from the floor of the annual membership meeting. Any member who is unable to attend the annual meeting, but is interested in becoming a Director, may ask, in writing, any Board Member to place his or her name in nomination.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. Election will be at the annual meeting of the members. At such elections the members present at the annual meeting may cast, with respect to each vacancy, as many votes as they are entitled to exercise, there being one vote for each water meter for each vacancy. The persons receiving the largest number of votes shall be elected.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power:

- a. To exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation not

reserved to the membership by other provisions of these bylaws or the Articles of Incorporation.

- b. To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- c. Such other powers as are conferred by law upon the Board of Directors of a water supply corporation.

Section 2. Duties. It shall be the duty of the Board of Directors:

- a. To cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth of the members who are entitled to vote.
- b. To supervise all officers, agents and employees of the Corporation, and to see that their duties are properly performed.
- c. To fix the amount and cost of the Tap charge required to be paid in order to obtain a water meter and the incident membership in the Corporation.
- d. To fix the amount of the monthly minimum charge for water service and the rate per gallon of water service over and above the monthly minimum.
- e. To enforce the payment of such charges by legal process, termination of water service or any other procedure not prohibited by law. Should any monthly charge be more than 45 days late, the Board may authorize an appropriate

officer to terminate water service and may charge a reconnect fee of \$25.00 for resumption of water service.

- f. To furnish water for commercial use to only those businesses located along Highway 90 and which are within the subdivision.

ARTICLE VIII

MEETINGS OF MEMBERS

Section 1. Annual Meeting. The regular annual meetings of the members shall be held at the discretion of the Board of Directors. All members of the Corporation will be sent notice of the place and time of the annual meeting of the members at least 15 days prior to the meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors, or upon written request of ten or more members who are entitled to vote at the annual meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen days before such meeting to each member entitled to vote thereat, addressed to the members' address last appearing on the books of the Corporation, or supplied by such member to the Corporation for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The members present at the annual meeting shall constitute a quorum.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his water meter.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Corporation shall be a President and a Vice President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Corporation shall be elected annually by the Board of Directors and each shall hold office for one year unless he/she shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointment. The Board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such periods, have such authority, and perform such duties as the Board may determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and

unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this article.

Section 8. Duties. The duties of the officers are as follows:

- a. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, may sign leases, mortgages, deeds and other written instruments, and may co-sign all checks issued by Highway 90 Ranch Water Supply Corporation.
- b. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. He/she may co-sign all checks issued by Highway 90 Ranch Water Supply Corporation.
- c. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members, keep appropriate current records showing the members of the Corporation together with their addresses, and shall perform such other duties as required by the Board. He/she may co-sign all checks issued by Highway 90 Ranch Water Supply Corporation.

- d. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Corporation and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books on account, prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting. The Treasurer may co-sign all checks issued by Highway 90 Ranch Water Supply Corporation.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and bylaws of the Corporation shall be available for inspection by any member of the Corporation, and copies may be purchased at a reasonable cost. The Corporation shall have no corporate seal.

ARTICLE XI

AMENDMENTS

The bylaws may be amended, at a regular or special meeting of the Board of Directors, by a vote of a majority of the quorum of such Board present in person, except in the case of any conflict between the Articles of Incorporation and these bylaws. In the event of such a conflict, the Articles of Incorporation shall control.

ARTICLE XII

VOTING RIGHTS

The Corporation shall have one class of voting membership.

Members shall be every person or entity who is a property owner and a record owner of a water meter within the Highway 90 Ranch Subdivision and who has paid the tap charge for such water meter. When more than one person holds such interest in any water meter, all such persons shall be members. The vote for each such water meter shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any water meter.

ARTICLE XIII

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July and end on the thirtieth day of June of every year.

ARTICLE XIV

CONDITIONS OF DISSOLUTION

Upon dissolution of the Corporation, the assets of the Corporation remaining after the discharge of the Corporation's indebtedness shall be transferred to an entity that provides a water supply service and that is exempt from ad valorem taxation. Such entity shall be entitled to an exemption from taxation of property that is reasonably necessary for and used in the operation of acquiring, treating, storing, transporting, selling or distributing water.

IN WITNESS WHEREOF, we, being all of the Directors of Highway 90 Ranch Water Supply Corporation, have hereunto set our hands this the

9th day of February, 1999.

Fred S. Herrera
Fred S. Herrera

Lois L. Crawford
Lois L. Crawford

Wesley Sawchak
Wesley Sawchak

Patsy A. DeRobertis
Patsy A. DeRobertis

John D. FitzSimon
John D. FitzSimon

Jo L. Lumsden
Jo L. Lumsden

Martin L. Fisher
Martin L. Fisher

Manuel Dominguez
Manuel Dominguez

STATE OF TEXAS §
 §
COUNTY OF MEDINA §

BEFORE ME, the undersigned authority, on this day personally appeared the above-named Directors of Highway 90 Ranch Water Supply Corporation, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

To certify which witness my hand and official seal this 9th day of February, 1999.

Linda A. Carter
Notary Public, State of Texas

