

BYLAWS

Of

MAXWELL WATER SUPPLY CORPORATION

Bylaws of Maxwell Water supply Corporation, having been presented to the Board of Directors of said Corporation and duly adopted as follows:

ARTICLE I

The President shall preside and vote at all Members' and Directors' meetings. The president shall perform all other duties that usually pertain to the office or are delegated by the Board of Directors.

ARTICLE II

The Vice-President shall, in case of the absence or disability of the President, perform the duties of the President.

ARTICLE III

The ~~Secretary~~-Treasurer shall have custody of all monies, records and securities of the Corporation. The Secretary-~~Treasurer~~ shall keep minutes of all meetings of the Corporation. All monies of the Corporation shall be deposited by the ~~Secretary~~-Treasurer in such depositories as shall be selected by the Directors. Checks shall be signed by the Secretary or Treasurer or assistant or deputy secretary, and the President or a designee at that office. The Secretary-~~Treasurer~~ shall have custody of the seal of the Corporation and affix it as directed by resolution passed by the Board of Directors or Members. The Board of Directors may appoint an employee or assistant or deputy secretary to assist the Secretary or Treasurer in all official duties pertaining to that office.

The position of the Secretary, Treasurer, and all other Board positions and/or employees entrusted with receipt and disbursement of funds, shall be placed under a fidelity bond in an amount which shall be set from time to time, but not less than once a year, by the Board of Directors. The fidelity bond coverage amount shall approximate the total annual debt service requirements for all ~~FmHa~~ USDA Rural Development, Rural Utilities Service (RUS) loans and

be evidenced by a position fidelity schedule bond as acceptable to ~~Farmers Home Administration~~ USDA Rural Development, RUS, or its successor agencies and assigns.

ARTICLE IV

Section 1. A person must be a member of the Corporation in order to serve as a Director. The Board of Directors shall consist of nine (9) Directors, a majority of whom shall constitute a quorum. Upon issuance of the Charter and annually thereafter on the second Monday in March, the Board of Directors shall elect a President, a Vice-President, Secretary, and a Treasurer from among the Directors. The Directors shall be elected by the Members at the Members' meetings provided for in article VI of the Bylaws. The Directors shall be divided into three (3) classes, each class to be as near as equal in numbers as possible. The terms of the Directors of the first class shall expire at the first annual meeting of the Members after their election; the terms of the Directors in the second class shall expire at the second annual meeting after their election; and the terms of the Directors in the third class shall expire at the third annual meeting after their election. At each annual meeting after such classification, the number of Directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. Directors, as such, shall not receive any stated salary for their services, except as provided by state law.

Upon the death, resignation, or loss of membership status of a Director, a successor shall be appointed by a majority of the existing Directors to serve until the next regular or special Membership meeting, at which time the general Membership shall elect a successor for the remaining balance of the previously vacated term.

Section 2. Directors may be removed from office in the following manner, except as otherwise provided in Article V: Any Member or Director may present charges against a Director by filing such charges in writing with the Secretary ~~Treasurer~~ of the Corporation. **The charges must be accompanied by a petition signed by at least ten (10) percent of the Members of the Corporation.** Such removal shall be voted on at the next regular or special meeting of the Membership and shall be effective if approved by a vote of 2/3 majority of those voting if a quorum is present. The Director(s) against whom the charges have been presented shall be informed in writing of such charges at least twenty (20) days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting the charges shall have the same opportunity. If the removal of a Director(s) is approved, such action shall also vacate any other office(s) held by the removed Director(s) of the Corporation. A vacancy in the Board thus created shall immediately be filled by a qualified person other than the removed Director upon a vote of a majority of the Members present and voting at such meeting, **in accordance with the written annual or special meetings procedures as adopted by the Board.** A vacancy in any office thus created shall be filled by the

Board of Directors from among their numbers so constituted after the vacancy in the Board has been filled.

Section 3. The President of the Board, ~~or his designee or Vice-President~~, shall preside at any meeting of the Members convened to consider removal of a Director as provided under Section 2, unless the President is the subject of charges, in which event the Vice-President shall preside. In the event both the President and Vice-President are the subject of charges, those Directors who are not the subject of any charges shall appoint one of the other Directors to preside over the meeting. Any meeting convened to consider the removal of a Director shall be conducted in accordance with the procedures prescribed by the Board. The fact that the President, Vice-President, or other Officer or Director has been made the subject of charges does not prevent such individual from continuing to act as Officer and/or Director. Any Director that has been removed under the provisions of this Article shall not be precluded from subsequent election to a position on the Board of Directors.

Section 4. The Board of Directors shall adopt and maintain a conflict of interest policy designed to promote the business of the Corporation and serve the interests of the Membership. ~~Such policy, at a minimum, shall be in conformance with the provisions of the Texas Business Organizations Code pertaining to duties and responsibilities of the Board of Directors.~~

ARTICLE V

Section 1. Meetings of the Board of Directors shall be held at such time and place as the Board may determine at the previous meeting, and shall include posting of the meeting as required by the ~~Texas Open Meetings Act. The Board of Directors shall ensure that all meetings comply with the requirements of the Open Meeting Act, Chapter 551, Texas Government Code, Article 6252-17, Tex. Rev. Civ. Stat., by furnishing the notice to the Hays and Caldwell County Clerks, and by posting such notice in a place readily convenient to the public on its administrative office at all times for at least seventy-two (72) hours preceding the scheduled time of the meeting. Such notice shall specify the date, hour, place and subject of each meeting held by the Board of Directors.~~ including any subsequent amendment thereto. In the event of any conflict between the provisions of these bylaws and the requirements of the Open Meetings Act, the provisions of the Open Meetings Act shall prevail.

Section 2. Any Director failing to attend two (2) consecutive meetings ~~shall~~ may be given a written notice by the balance of the Board of Directors that failure by said Director to attend a third consecutive meeting, without justifiable cause acceptable to the balance of the Board of Directors, shall give rise to removal of said Director from the Board. A successor shall be ~~elected~~ appointed by a majority vote of the Directors remaining to serve until the next regular or special Membership meeting, at which time the general Membership shall elect a successor for the balance of the term. ~~If the removal of a Director pursuant to this Section 2 occurs at an~~

~~annual meeting, then the successor shall be elected by a majority vote of the Membership in attendance at the meeting.~~

Section 3. The Board of Directors shall provide access for the public, new service applicants, or Members to the meetings of the Board of Directors by setting aside time for hearing of suggestions, proposals, or grievances; ~~however, there shall be no deliberations or actions by the Board unless such has first been noticed in accordance with the Texas Open Meetings Act.~~ The Board of Directors shall establish reasonable rules for access to such meetings.

~~Section 4. The Board of Directors shall ensure that all meetings comply with the requirements of the Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., including any subsequent amendment thereto. In the event of any conflict between the provisions of these By-laws and the requirements of the Open Meetings Act, the provisions of the Open Meetings Act shall prevail.~~

Section 4. The Board of Directors may, upon lawful notice to the public, meet in executive session when permitted, in the manner and for limited purposes as provided for in the Texas Open Meetings Act, as amended, and for no other reason. All proceedings of any meeting at which a quorum of Directors is present to discuss the business of the Corporation shall be recorded in the manner required by the Texas Open Meetings Act.

Section 5. In conducting their duties as members of the Board of Directors: (1) shall be entitled to rely, in good faith and with ordinary care, on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or the Corporation's affairs that have been prepared or presented by one or more officers or employees of the Corporation, or by legal counsel, public accountants, or other persons retained by the Corporation for the development of professional advice and information falling within such person's professional or expert competence; (2) may believe, in good faith and with ordinary care, that the assets of the Corporation are at least that of their book value; and (3) in determining obligations, may rely in good faith and with ordinary care, on the financial statements of, or other information concerning, any person or entity obligated to pay, satisfy or discharge some or all of the Corporation's liabilities or obligations; and may rely in good faith on information, opinions, reports, or statements, including financial and other financial data, prepared or presented by one or more Officers or employees of the Corporation, legal counsel, public accountants, or other persons provided the Directors reasonably believe such matters to fall within such person's professional or expert competence. Nevertheless, Directors must disclose any knowledge they may have concerning a matter in question that makes reliance otherwise provided herein to be unwarranted.

ARTICLE VI (old article XI)

Section 1. There shall be a regular meeting of the Members annually, on the second Monday in March, to transact all business that may be properly brought before it. The Secretary-~~Treasurer~~ shall give fifteen (15) days written notice of such annual meeting to the Membership indicating the time, place and purpose of such meeting, and shall address and mail the notice to each Member at the address last known to the Corporation. Failure to hold or call an annual or special meeting in accordance with these Bylaws shall give each Member rights to compel the Board of Directors to properly hold an annual or special meeting of the Membership. Voting by proxy shall be permitted. Members holding ten percent (10%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for the transaction of business.

Section 2. (Article XI Section 3 in old Bylaws) The Board of Directors shall ~~establish a standing credentials committee of three (3) members, of which the Secretary-Treasurer shall be the chairperson. This committee~~ adopt, and from time to time may revise, written ~~proper~~ procedure for conducting annual or special Membership meetings, ~~adopt a specific proxy form to be used including the proxy and/or ballot form which shall be the official proxy and/or ballot to be used in conducting an annual or special Membership meeting~~ for such meetings; procedures for proper notification of the Membership of such meetings and delivery of the Corporation's official proxy and/or ballot forms to the Membership; procedures to determine, qualify and register the eligible voters for such meetings; and procedures for canvassing all votes and recording the results of all elections at such meetings of the Membership.

Section 3. (Article XI Section 3 in old bylaws) The Board of Directors shall establish a standing Credentials Committee of three (3) Members, of which the Secretary-~~Treasurer~~ shall be chairperson. ~~This committee shall at no time have sufficient board members appointed to constitute a quorum of the Board of Directors. This committee, in accordance with procedures adopted by the board under section 2, shall notify the Membership of annual or special Membership meetings and deliver the Corporation's official proxy and/or ballot forms to the Membership;~~ determine, qualify, and register the eligible voters for such meeting; validate proxies, determine presence of quorum for conducting the meeting, ~~design ballots,~~ canvass all votes, and ~~institute proper recording of record~~ the results of such elections. ~~Should the individual holding the office of Secretary be running for re-election, the President shall appoint an officer not currently running for re-election to serve as chairperson of this committee.~~

Section 4. (Article XI Section 2 in old Bylaws) After fixing a date for the notice of a meeting, the Board of Directors shall prepare an alphabetical list of the names of all voting members who are entitled to vote as of the record date of the meeting. The list must show the address of each voting member. ~~No Not~~ later than two (2) business days after the date notice is given of the meeting, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the meeting at the Corporation's principal office

or at a reasonable place identified in the meeting notice in the city where the meeting will be held. Any voting Member, or voting Member's agent or attorney, shall be allowed, on written demand, to inspect and, at a reasonable time and at ~~his~~ **their** expense, copy the list. Further, the Board shall make the list of voting Members available at the meeting, and shall allow inspection of such list by any voting Member or voting Member's agent or attorney at any time during the meeting, including any adjournments thereof.

ARTICLE VII (old article XII)

~~Special meetings of the Directors may be held upon the posting of such special meeting, in the manner provided under Article V of these By-laws, at least two hours before the meeting is to convene. It shall be the responsibility of the President or his designee to ensure that proper notice is posted.~~

A special meeting of the Board of Directors may be called by the President, or by demand by a majority of the board members or one-third (1/3) of the Members. Such special meetings shall be held upon giving notice as required by the Texas Open Meetings Act.

Prior to convening any special meeting of the Members, the President shall request in writing that the Secretary ~~Treasurer~~ give at least ten (10) days prior notice to the Members, and that such special meeting is otherwise noticed, **as required under the Texas Business Organizations Code Section 22.156**, and provided under Article V of the Bylaws. Such notice shall specify the time, place, and purpose of the meeting, and shall be addressed and mailed to each of the Members at their address last known to the Corporation, **personally delivered to each Member, or sent by facsimile to each Member.**

Emergency meetings of the Directors may be held on rare occasions and only when clearly authorized by the Texas Open Meetings Act. Notice of such emergency meeting shall be provided under Article V of the Bylaws and the Texas Open Meetings Act, at least two (2) hours before the meeting is convened. It shall be the responsibility of the President, or a designee of that office, to ensure that proper notice is posted and Directors are properly notified. In no event shall any emergency meeting of the Board of Directors be convened where the business of such meeting could be considered at a regular or special meeting of the Directors receiving at least seventy-two (72) hours notice as provided under Article V of these Bylaws.

ARTICLE VIII (old article VI)

The Corporation shall conduct its business on a non-profit basis, and no dividends shall ever be paid upon the Membership of such Corporation. All profits arising from the operation of such business shall be annually paid out to the persons who have, during the past year, transacted

business with the Corporation, in direct proportion to the amount of business transacted, provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid and, provided also, that the Directors of the Corporation may allocate to sinking fund(s) and reserve accounts such amount of profits as they deem necessary for maintenance, operation, capital improvements, expansions and replacements of all facility components, as provided by Section 67.008 (d) of the Texas Water Code. Funds allocated by the Board to a sinking fund for replacement, amortization of debts, and the payment of interest that are not required to be spent in the year in which deposited shall be invested in accordance with the provisions of Section 67.014 (b) of the Texas Water Code.

ARTICLE IX (old article VII)

The Directors of the Corporation shall establish and maintain, so long as the Corporation is indebted to the Government, in an institution insured by the State or Federal Government, or invested in readily marketable securities backed by the full faith and credit of the United States of America, a reserve account separate and apart from other fund accounts of the Corporation. ~~Securities so purchased shall be deemed at all times to be a part of the reserve fund account.~~ There shall be deposited in such fund the sum as required by a total of all loan resolutions executed by the Corporation. Such deposits shall be made monthly and shall continue until the total amount deposited equals the sum as required by the executed loan resolutions provided, however, that after any withdrawals, such deposits shall be resumed until the amount accumulated in the fund is restored to the sum as required by the executed loan resolutions.

Withdrawals may be made from this fund only upon prior written approval from ~~Farmers Home Administration~~ **USDA Rural Development, RUS**. Approval shall be made only for emergency repairs, obsolescence of equipment, improvements to facility, and for making up any deficiencies in revenue for loan payments.

~~The Directors shall invest all sums in this fund not required to be extended within the year in which the same are deposited in bonds or other evidence of indebtedness of the United States of America, or in readily marketable securities back by the full faith and credit of the United States of America. Securities so purchased shall be deemed at all times to be a part of the reserve fund account.~~

ARTICLE X (old article VIII)

Section 1. ~~The Corporation shall have Members as defined by the Texas Water Code. All customers of the Corporation must hold a Membership or obtain their service through a Membership. A person or entity that holds an interest in property solely as security for the~~

performance of an obligation or that only builds on or develops the property for sale to others is not required to hold a Membership as a condition to receive service on a limited basis. Every person (which includes any legal entity) owning or having a legal right to the control, possession or occupancy of property served, or which may reasonably be served by the Corporation, shall have a right to become a Member of the Corporation upon payment of the Membership fee hereinafter provided and upon compliance with the Corporation's conditions of water and/or sewer service as provided for in its published charges, rates and conditions of service. Membership shall not be denied because of the applicant's race, color, religion, sex, age, marital status, familial status, handicap, income from Public Assistance, disability, or national origin. It is the intent of the Corporation to provide service on a nondiscriminatory basis.

Section 2. The Membership fees shall be ~~\$100.00~~ determined by the Board of Directors. Payment of Membership fee or transfer of Membership shall entitle an applicant to further qualify for one (1) connection to the service or shall entitle transferee of Membership to continue to qualify for service to an existing connection on the system by meeting the conditions for water and/or sewer as provided in the Corporation's published rates, charges, and conditions of service. A person may own more than one membership, but each Member shall be entitled to only one vote regardless of the number of Memberships owned. Membership certificates shall be in such form as ~~shall be~~ determined by the Board of Directors.

Section 3. The Membership fee may be revised by the Board of Directors as the Board may determine to be appropriate. In determining the amount of the Membership fee, however, the Board shall ensure that the fee is sufficient to establish the potential Member as being legitimately interested in securing water and/or sewer service from the Corporation for such potential Members' own needs. Furthermore, the Board shall determine and administer such fee in a manner or in an amount which does not unreasonably deny service to financially deprived potential Members. In no event, however, shall the Membership fee exceed an amount equal to the sum of twelve (12) charges of the Corporation's minimum monthly water and/or sewer rate unless previously approved by ~~Farmers Home Administration-USDA Rural Development, RUS.~~ Membership fees will be refundable.

ARTICLE XI (old Article IX)

Where necessary for determining those Members entitled to notice of, or those Members entitled to vote at any meetings or any adjournment thereof, or where necessary to make a determination of Members for any other proper purpose, ownership of Memberships shall be deemed to be vested in those persons who are the record owners of Memberships as evidenced by the Membership transfer book on the 15th day of the month preceding the month of the date upon which the action requiring such determination is to be taken. Nothing herein shall preclude the holder of a Membership from mortgaging such Membership or, upon notification of the

Corporation, preclude the holder of such mortgages from exercising legal rights pursuant to such mortgages upon proper notice to the Corporation.

ARTICLE XII (old article X)

Section 1. In order to ensure that business done by the Corporation shall continue within the capacity of its facilities and to prevent undue financial burden on the Members of the Corporation, Membership in the Corporation shall be transferred in accordance with the following:

(a) Except as herein provided, Membership in the Corporation shall be deemed personal estate and a person or entity that owns any stock of, is a member of, or has some other right of participation in the Corporation may not sell or transfer that stock, Membership, or other right of participation to another person or entity except: (1) by will to a transferee who is a person related to the testator within the second degree of consanguinity; (2) by transfer without compensation to a transferee who is a person related to the owner of the stock or other interest within the second degree by consanguinity; or (3) by transfer without compensation or by sale to the Corporation.

(b) Subsection (a) of this section does not apply to a person or entity that transfers the Membership or other right of participation to another person or entity as part of the conveyance of real estate from which the Membership or other right of participation arose.

(c) The transfer of stock, Membership, or other right of participation under this section does not entitle the transferee to water and/or sewer service unless each condition for water and/or sewer is met as provided in the Corporation's published rates, charges, and conditions of service. Water and/or sewer service provided by the Corporation as a result of stock, Membership, or other right of participation may be conditioned on ownership of the real estate designated to receive service and from which the Membership or other right of participation arose.

(d) The Corporation may cancel a person's or other entity's stock, Membership or other right of participation if the person or other entity fails to meet the conditions for water and/or sewer service prescribed by the Corporation's published rates, charges, and conditions of service, or fails to comply with any other condition placed on the receipt of water and/or sewer service under the stock, Membership, or other right of participation authorized under Subsection (c) of this section. The Corporation may, consistent with the limitations prescribed by Subsection (a) of this section and as provided in the Corporation's tariff, reassign canceled stock, or a cancelled Membership, or other right of participation to any person or entity that has legal title to the real estate from which the cancelled Membership or other right of participation arose and for which water and/or sewer is requested, subject to compliance with the conditions for water and/or sewer service prescribed by the Corporation's published rates, charges, and conditions of service.

Section 2. Notwithstanding anything contrary here-in-above provided, the consideration for the transfer of any Membership in the Corporation from the original Members, their transferees, pledges, administrators or executors, or other persons, shall never exceed the amount of the original cost of the Membership. No gain or profit shall ever be realized from the sale or transfer of a Membership.

ARTICLE XIII

The business of the Corporation shall be handled under the direction of the Board of Directors by a manager to be ~~elected~~ employed by a majority vote of the Board. ~~The manager shall serve with or without compensation.~~ The manager, with the approval of the Board of Directors may employ, ~~with or without compensation~~, such supervisory, clerical or other employees as may be required to effectively operate the business of the Corporation. ~~The Board shall set the salary for the manager.~~

ARTICLE XIV

Notwithstanding the ownership of a Membership certificate, all Members shall be billed, disconnected, or reconnected, and otherwise shall receive service in accordance with the written policies of the Corporation, including the tariff of the Corporation. In the event a member should surrender the Membership certificate properly endorsed to the Secretary ~~Treasurer~~ of the Corporation, the water ~~and/or sewer~~ service shall be discontinued and the obligation to pay for water ~~and/or sewer~~ service shall terminate except as for the minimum charge for the current month and the charge for water ~~and/or sewer~~ used during the current month, and except as for any prior unpaid amount due to the Corporation. ~~Any remaining balance from the Membership fee will be refunded to the former Member.~~ In the event Membership is terminated, cancelled, withdrawn, or surrendered, whether voluntarily or involuntarily, the former Member's rights and interest in the assets of the Corporation will not be forfeited.

ARTICLE XV

Upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation ~~remaining after payment if in indebtedness of the Corporation~~ shall be distributed among the Members and former Members in direct proportion to the amount of their patronage with the Corporation insofar as practicable. Any indebtedness due the Corporation by a Member for water ~~and/or sewer~~ service or otherwise shall be deducted from such Members' share prior to final distribution. By application for and acceptance of Membership in the Corporation, each Member agrees that upon the discontinuance of the Corporation by dissolution or otherwise, all

assets of the Corporation transferred to that Member shall be in turn immediately transferred by the individual Member to an entity that provides water supply or wastewater service, or both, that is exempt from ad valorem taxation. **By application for and acceptance of membership in the Corporation, each Member grants the Corporation's Board of Directors that Member's permission to execute all instruments and documents necessary to effectuate such transfers in order to preserve the Corporation's statutory rights to exemption from income and ad valorem taxation.**

ARTICLE XVI

The fiscal year of the Corporation shall be January 1 to December 31.

ARTICLE XVII

For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the ~~Farmers Home Administration~~ **USDA Rural Development, RUS**, the Corporation shall insure with a reputable insurance company such of its properties and in such amounts as is required by the State Director of the ~~Farmers Home Administration~~ **USDA Rural Development, RUS**, for the State of Texas.

ARTICLE XVIII

Section 1. If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water **and/or sewer** charges to be insufficient for payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by ~~Farmers Home Administration~~ **USDA Rural Development, RUS**, so that the sum of such assessments and the amount collected from water **and/or sewer** and other charges is sufficient to fully pay all costs of operation, maintenance, replacement and repayment of indebtedness for the year's operations, but this provision shall not operate for the benefit of any third party creditor other than ~~Farmers Home Administration~~ **USDA Rural Development, RUS**, without a favorable vote of the majority of the Members. Any assessments levied to make up operations deficits in any year shall be levied against Members in proportion to their patronage with the Corporation.

Section 2. In the event a Member should surrender their Membership certificate properly endorsed by the Secretary-~~Treasurer~~ of the Corporation, the obligation to pay such assessments shall be limited to assessments made and levied prior to the date of surrender of the Membership certificate provided, however, that this paragraph and the second sentence of Article XIV shall

not apply to relieve a Member of their obligation under the special arrangements covering Multiple Membership certificates held by one Member which may have been required or approved by the ~~Farmers Home Administration~~ **USDA Rural Development, RUS.**

ARTICLE XIX

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors, and committees, and shall keep a record of the name and address of its Members entitled to vote at its registered office or principle office in Texas.

Annually, the Board of Directors shall prepare ~~or cause to be prepared~~ a report of the financial activity of the Corporation for the preceding year including a statement of support, revenue, and expenses and changes in fund balances, a statement of functional expenses, and balance sheets for all funds or such financial reports as required by ~~Farmers Home Administration~~ **USDA Rural Development, RUS.** Such report shall be approved by the Board of Directors.

With prior written request, corporation records, books, and annual reports, subject to exceptions provided by the ~~Open Records Act, Article 6252-17a, Tex. Rev. Civ. Stat., Public Information Act, Chapter 552, Texas Government Code~~ including any amendments thereto, shall be available for public inspection and copying by the public or their duly authorized representatives during normal business hours subject to a reasonable charge for the preparation of copies.

In the event of any conflict between the provisions of the ~~Open Records Act Public Information Act~~ and the provisions of the Bylaws, the provisions of the ~~Open Records Act Public Information Act~~ shall prevail.

ARTICLE XX

These Bylaws may be altered, amended, or repealed by a vote of the majority of the Members present, ~~whether in person or by proxy~~, at any regular meeting of the ~~Corporation~~ Members, or at any special meeting of the ~~Corporation~~ Members called for that purpose, except that the Members shall not have the power to change the purpose 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 provisions 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 so to amend the Bylaws as to effect a fundamental change in the ~~polices intents and purposes~~ of the Corporation. Notice of any amendment to be made at a special meeting of the Members ~~must shall~~ be given at

least ten (10) days before such meeting and must set forth the amendments to be considered. For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the ~~Farmers Home Administration~~ USDA Rural Development, RUS, or its ~~successor agencies and assigns~~, these Bylaws shall not be altered, amended, or repealed without prior written consent of the State Director of the ~~Farmers Home Administration~~ USDA Rural Development, RUS, for the State of Texas.

ARTICLE XXI

The seal of the Corporation shall consist of a circle within which shall be inscribed "MAXWELL WATER SUPPLY CORPORATION."

ARTICLE XXII

The Corporation pledges its assets for use in performing the ~~organization's charitable functions~~ functions of the corporation as provided by law and Corporation's Articles of Incorporation.

ARTICLE XXIII

The above Bylaws ~~and regulations~~ were ~~unanimously~~ adopted by ~~the Membership a majority of the Members present or by proxy~~ of the Maxwell Water Supply Corporation, at a meeting held on the _____ day of _____, 20__.

President

Attest:

Secretary ~~Treasurer~~