

SOUTHWESTERN BARTHOLOMEW WATER CORPORATION
BYLAWS

ARTICLE I

GENERAL

Section 1. NAME. The name of the corporation shall be Southwestern Bartholomew Water Corporation.

Section 2. LOCATION. The offices of this corporation shall be in Bartholomew County, State of Indiana.

Section 3. SEAL. This corporation shall possess a seal. The secretary shall have custody of the seal and shall cause it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The seal shall have inscribed the name of the corporation, the year of its organization and the words "Non-Stock Company, Southwestern Bartholomew Water Corporation."

Section 4. FISCAL YEAR. The fiscal year of this corporation shall be the same as the calendar year.

ARTICLE II

MEMBERSHIP

Section 1. Any occupant or person, including any body politic and/or corporate, holding property having need of and reasonable accessibility to the services operated by the corporation, may be a member of this corporation by obtaining a membership certificate from the corporation. Persons who receive either the approval of the board of directors or a designated employee of the corporation may be admitted to membership upon subscribing for a membership certificate and by signing such agreements for the purchase of services as may be provided and required by the corporation, provided no person otherwise eligible shall be permitted to subscribe for or acquire a membership of the corporation if the capacity of the corporation's system is exhausted by the needs of its existing members. A fee of Fifty (\$50.00) Dollars shall be paid per membership, upon application for membership in this corporation.

Section 2. A member ceases to be eligible to hold membership as provided in Section 1 in case of death, or willfully fails to comply with these bylaws and other requirements, or willfully obstructs the purposes and proper activities of 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 special meeting of the members called for such purpose.

Section 3. The capital of this corporation shall be represented by membership certificates.

Section 4. The membership certificates shall be issued to each holder of fully paid membership and shall be numbered consecutively, in accordance with the order of issue. No number may be issued more than once. 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 bylaws and amendments to the same of the Southwestern Bartholomew Water Corporation.

b. Transfers of membership certificates shall be made only upon the books of the corporation, only to persons eligible to become members only with approval of the board of directors or a board of directors designated employee and only when the member transferring is free from indebtedness to the corporation.

c. A member shall be entitled to one vote at a meeting of the members. A person holding more than one membership certificate shall be permitted to vote only one of the certificates held by that member at a meeting of the members. Every member upon becoming a member of this corporation agrees to sign such agreements for the purchase of services as may from time to time be provided and required by the corporation and agrees in case he desires to dispose of his membership certificate to offer the same to the corporation at its fair book value and that he will make no offer of assignment of sale elsewhere of the same.

Section 5. All transfers of membership certificates shall be made upon the books of the corporation upon surrender of the certificates covering the same by the holders thereof or by their legal representatives but only with the approval of the board of directors or a board of directors designated employee and only to persons eligible to become members and only when the transferring member is free from indebtedness to the corporation.

Section 6. Each member agrees to sign such user's agreements as the corporation shall from time to time provide and require.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. The annual meeting of the members shall be held during the month of June of each year at a place in the County of Bartholomew the State of Indiana and on a date and at a time designated by the directors pursuant to written notice thereof as required by law.

Section 2. Special meeting of the members may be called by the board of directors and such meeting must be called whenever a petition requesting such meeting is signed by at least ten (10) percent of the members and presented to the secretary or board of directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereof except such as is specified in the notice. Such notice shall be mailed to each member of record, directed to the address shown on the books, at least ten (10) days prior to the meeting; and such notice shall state the nature, time, place, and purposes 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 for the transaction of business. No member shall be entitled to more than one (1) vote only and no 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. 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 IV

DIRECTORS AND OFFICERS

Section 1. The board of directors of this corporation shall consist of five (5) members, all of whom shall be members of this corporation. The directors named in the Articles of Incorporation shall serve until the first annual meeting of the members and until their successors are elected and are qualified. All directors shall be elected for a term of three (3) years at the annual meeting of the corporation. Such term shall commence immediately after election during the annual meeting and extend until a successor has been elected during the annual meeting three (3) years hence. Directors may be elected to more than one term. Subsequent to the first annual meeting, the directors may, upon agreement among themselves, take what action as be necessary to provide for staggered terms of office so that no more than three (3) directors are elected in any one calendar year. At the annual meeting, the members shall elect member/members to fill the vacancy/vacancies that exist on the board of directors as a result of the expiration of the term of office in the month during which the annual meeting is held.

Section 2. The board of directors shall meet within ten days after their election and shall elect by ballot a president, vice-president, secretary, and treasurer from their number, each of whom shall hold office until the next annual meeting and until election and qualification of his successor unless sooner removed by death, resignation, or for cause.

Section 3. Meetings of the board of directors may be called by the President, and held at any place located in Bartholomew County stated in the notice thereof, upon giving of five days notice, orally or in writing, without the necessity of stating the purpose of the meeting. Notice of any special meeting may be waived by the members of the board, and the presence of three (3) or more directors at any such meeting shall constitute a waiver of notice thereof. Upon the establishment of applicable rules, the board of directors may utilize computer technology for the purpose of conducting the proposal of, discussion of and acceptance or

rejection of single subject issues having urgency that precludes a delay until the next regularly scheduled board of directors meeting.

Section 4. If the office of any director or officer becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors shall choose a successor who shall hold office until the next meeting of the members at which time the members shall elect a director for the unexpired term or terms.

Section 5. Officers and directors shall serve without compensation. Reimbursement for expenses incurred by the directors associated with their attendance at regular or special meetings may be fixed at any meeting (regular or special) of the members of the corporation.

Section 6. Officers and directors may be removed from office in the following manner: Any member, officer or director may present charges against a director or officer by filing them in writing with the secretary of the corporation. The charges must be accompanied by a petition signed by ten (10) percent of the membership of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of the majority of the members present. The director or officer against whom such charges have been presented shall be informed in writing, of such charges five (5) days prior to the meeting, and shall have the opportunity to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the corporation. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting. A vacancy in any office thus created shall be filled by the directors from among their number so constituted after the vacancy in the board has been filled.

ARTICLE V

DUTIES OF DIRECTORS

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation, or these bylaws 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 are hereby given, full power and authority, upon approval of the members of the board by a majority vote at regular or special meeting, in respect to the matters as hereinafter set forth:

a. To pass upon the qualifications of members, and to cause appropriate certificates of membership to be issued.

b. To select and appoint all officers, agents, and employees and removal of same for just cause, fix their compensation and pay for services, and prescribe their duties as may not be inconsistent with these bylaws.

c. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferable instruments and to do every act 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 breach thereof.

e. To order an annual audit of the books and accounts by a competent auditor or accountant. The report prepared by such person shall be submitted to the members at the annual meeting.

f. To fix charges to be paid, the time of payment, and manner of collection by each member for services rendered to him.

g. To require adequate bonds, the cost thereof to be paid by the corporation, by all officers, agents, and employees charged with responsibility for custody of any funds of the corporation.

h. To select the bank or banks to act as depositories of the funds provided such funds are covered by insurance. To determine the manner of receiving, depositing and disbursing of funds, and the form of checks and the person or persons by whom the same shall be signed with the power to make changes thereof at will.

i. To levy assessments against the membership certificates of the corporation and to enforce the collection of such assessments in the manner provided for enforcement of collection of monthly charges in Article VII, Section 5, hereto, by the forfeiture of delinquent certificates of members failing to pay such assessments within the time prescribed for payment, provided, that prior to forfeiture the board must give the member at least thirty (30) days written notice at the last address of the member on the books of the corporation of its intention to forfeit the certificate if the assessment is not paid by a specified date.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. DUTIES OF PRESIDENT. The president shall preside at all meetings of the corporation and of the board of directors; shall call special meetings of the board; shall perform such other duties as may be prescribed in these bylaws or assigned to him by the board of directors; and shall sign all membership certificates and such other papers as he may be authorized or directed to sign by the board of directors.

Section 2. DUTIES OF VICE-PRESIDENT. The vice-president shall act as aide to the president and shall perform the duties of the president in the absence or inability of that officer to serve.

Section 3. DUTIES OF SECRETARY. The secretary shall record the minutes of all meetings of the corporation and of the board of directors. He shall sign all membership certificates with the president and such other papers pertaining to the corporation as he may be authorized or directed to do so by the board. He shall serve all notices required by law and by these bylaws and shall make a full report of all matters pertaining to his office to the members at the annual meeting. He shall keep the corporate seal and membership certificate, records of the corporation, complete and countersign all certificates issued and affix said seal to all papers requiring same. He shall keep a proper membership certificate record, showing the name, date of issuance, surrender, cancellation or forfeiture. He shall perform such duties as may be delegated to him including the turnover to his successor all books and other property belonging to the corporation that he may have in his possession.

Section 4. DUTIES OF TREASURER. The treasurer shall receive all monies of the corporation; shall keep an accurate record of receipts and expenditures; and shall pay out funds as authorized by the corporation. The treasurer shall present a financial statement every meeting of the board of directors and at other times when requested by the board and shall make a full report at the annual meeting. The treasurer shall furnish the corporation a fidelity bond in an amount equal to the largest sum of funds in his possession at any time.

Section 5. All officers shall perform the duties prescribed in the parliamentary authority in addition to those outlined in these bylaws and those assigned from time to time. The officers shall deliver to their successors all official material, records and property within ten (10) days following the meeting at which they are elected and qualified.

ARTICLE VII

BENEFITS AND DUTIES OF MEMBERS

Section 1. The corporation will install, maintain and operate the main and service lines from its pumping station to the property line of each member of the corporation. The cost of main and service lines from its pumping station to the property line of each member shall be paid by the corporation.

Section 2. Each member shall be entitled to not to exceed one (1) service line from the corporation's system unless otherwise approved by the board of directors and provided that the member shall be required to pay the prevalent tap fee for each service line. No new service line or change in an existing service line may be made which will interfere with an existing service line. Each service line shall connect with the corporation's system at the nearest available place to the place of the desired use by the member if the corporation's system at that point shall be of sufficient capacity. If the corporation's system shall be inadequate to accommodate a connection at that point, 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, to purchase and install, and to maintain such portion of the service line or lines from the property line of the member to his own dwelling or other place of use on his premises at his own expense, provided that the corporation may, if the board of directors so elect, 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, such service as he may desire, subject to the provisions of these bylaws and to such rules and regulations as may be prescribed by the board of directors.

Section 4. The board of directors shall prior to the beginning of each calendar year, review the monthly rates to be charged each member during the following calendar year. Upon the completion of the review of the monthly rates the directors shall take any action in respect to monthly rates they believe necessary in order to maintain the financial well being of the corporation. The flat minimum monthly rate as set up in the rate schedule for the year, will be payable thirty (30) days after setting of the meter and each month thereafter irrespective of whether any service is used by a member during any month. The board of directors shall fix the date for the payment of such charge, and shall notify each newly joined member or cause each newly joined member to be notified of the current applicable rate structure and dates for the

payment thereof. A member to be entitled to the service shall pay such charges to the office of the corporation at or prior to the dates fixed by the board of directors. The failure to pay monthly charges duly imposed shall result in the automatic imposition of the following penalties:

a. Non-payment within seventeen (17) days from the due date will be subject to a penalty of ten (10) percent of the first Three (\$3.00) Dollars and three (3) percent of the balance.

b. Non-payment within thirty (30) days from the due date may result in the service being shut off from the member's property.

Section 5. The board of directors shall be authorized to require each member to enter into a user's agreement which shall embody the principles set forth in the foregoing sections of this article.

Section 6. Membership may be cancelled and/or service discontinued by the corporation for any violation of any rule, regulation, or condition of service and especially for any of the following reasons:

a. Misrepresentation in application as to the property or fixtures to be supplied or use to be made of the service.

b. Mis-use due to improper or imperfect service pipes and/or fixtures or failure to the same in a suitable state of repair.

c. Tampering with mains or lines or valves or permitting such tampering by others.

d. Connections, cross-connections, or permitting the same, of any separate line to the premises which receives service from the corporation.

ARTICLE VIII

DISTRIBUTION OF SURPLUS FUNDS

Section 1. It is not anticipated there will be any net income; but if there should be any, then at the end of the fiscal year, after paying all costs of operations and maintenance, set aside reserves for depreciation on buildings, equipment, etc., and such other reserves as may be deemed proper and provide for payment of interest and principal of obligations and debts, and after providing for the purchase of proper supplies and equipment, the net earning 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 interest 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 distributed to the members as provided in the bylaws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

Section 2. Any part or the whole of such apportionment may be credited at the discretion of the board of directors to the indebtedness of the members, should any exist, and in such case, the members shall be notified in writing of the amount so applied.

ARTICLE IX

RULES OF ORDER

The rules contained in Robert's Rules of Order Revised shall govern the corporation in all cases to which they are applicable, and in which they are not inconsistent with the articles of incorporation, bylaws or the special rules of order of this corporation or the rules and/or regulations of County, State or Federal Regulatory Agencies having authority to control the corporation's activities.

ARTICLE X

AMENDMENTS

Section 1. Amendments of these bylaws may be adopted by a vote of a majority of the members present at any special or regular meeting of the corporation if the members have been given at least 10_ days written notice of said meeting and the notice has contained a copy of the proposed amendment or amendments.

Section 2. For so long as the corporation is indebted for a loan or loans made to them for the United States of America through the Farmers Home Administration, the bylaws shall not be altered, amended or repealed without the prior consent of the State Director of the Farmers Home Administration for the State of Indiana.

Adopted by the board of directors of said corporation this 21st day of June, 1967.

ATTEST:

SOUTHWESTERN BARTHOLOMEW WATER CORPORATION

(SIGNED) RICHARD L. JOHNSON
Secretary

(SIGNED) W.R. ROGERSON
President

Section 3. The following Articles and Sections of the foregoing Bylaws have been revised in accordance with the provisions of Article X, Section 1:

Article II Section 1.

Article III Section 1.

Article IV Sections 1, 3 and 5.

Article V Section 1.

Article VII Sections 1 and 4.

Article IX .

Section 4. The following Sections of the foregoing Bylaws have been added in accordance with the provisions of Article X Section 1:

Sections 3 and 4, Article X.

These revisions and additions were adopted by the board of directors of said corporation this 12th day of November, 1990, as recorded in the minutes of the board of directors meeting of the same date.

ATTEST:

SOUTHWESTERN BARTHOLOMEW WATER CORPORATION

(SIGNED) Frank M. Adams, Jr.
Secretary

(SIGNED) Charles E. Hainz
President

The undersigned, being the duly elected and acting secretary of Southwestern Bartholomew Water Corporation, hereby certifies that the above and foregoing is a true, correct and complete copy of the bylaws of said corporation as adopted by the directors of said corporation on November 12, 1990 and as approved by the membership of said corporation on November 12, 1990.

Dated this 14 day of January, 1991.

(Signed) Frank M. Adams, Jr.
Secretary

Section 4. The following Articles and Sections of the foregoing Bylaws have been revised in accordance with the provisions of Article X, Section 1:

Article II Section 4,b

Article II Section 4, c

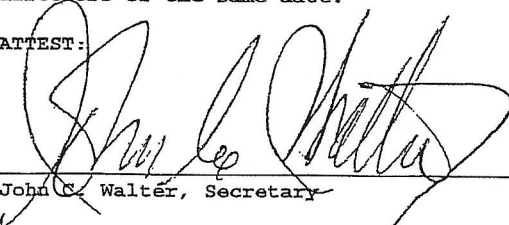
Article II Section 5

Article IV, Section 3

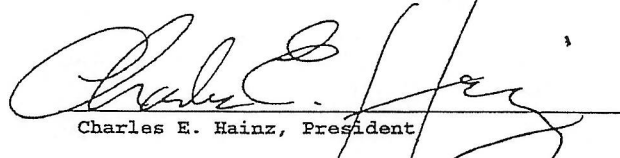
These revisions and additions were adopted by the board of directors of said corporation this 12th day of June, 2006, as recorded in the minutes of the annual meeting of the board of directors of the same date.

ATTEST:

SOUTHWESTERN BARTHOLOMEW WATER CORPORATION



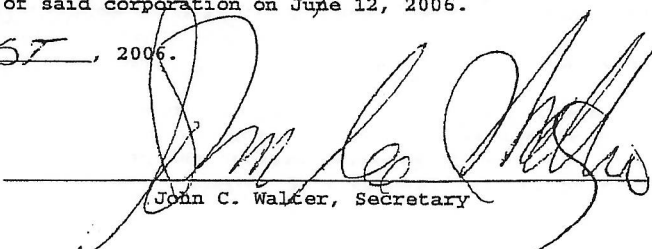
John C. Walter, Secretary



Charles E. Hainz, President

The undersigned, being the duly elected and acting secretary of Southwestern Bartholomew Water Corporation, hereby certifies that the above and foregoing is a true, correct and complete copy of the bylaws of said corporation as adopted by the directors of said corporation on June 12, 2006, and as approved by the membership of said corporation on June 12, 2006.

Dated this 14 day of AUGUST, 2006.



John C. Walter, Secretary