

**BY-LAWS
OF
ONAWAY WATER AND SEWER ASSOCIATION, INC.
ARTICLE I.**

Offices

The principal offices of the corporation in the State of Idaho shall be located in Onaway, Latah County. The corporation may have such other offices, either within or without the State of Idaho, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

The corporation shall have and continuously maintain in the State of Idaho a registered office and a registered agent whose office is identical with such registered office. The registered agent whose office is identical with such registered office. The registered office may be, but need not be, identical in the principal office in the State of Idaho, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II.

Seal

Section I, The seal of the association shall have inscribed thereon the name of the association, the year of its organization and the words "Non-Stock Corporation, Idaho."

Section II. The secretary of the association shall have custody of the seal.

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

ARTICLE III.

Fiscal Year

The fiscal year shall be the calendar year.

ARTICLE IV.

Members

Section 1. The holders of membership certificates of this association are its members. Any person, group of persons, organization or corporation possessing the qualifications for membership as prescribed in the Articles of Incorporation and being approved by the Board of Directors, may be admitted to membership upon the payment of a membership fee of Seventy-five Dollars (\$75.00); provided that no person otherwise eligible shall be permitted to acquire a membership certificate if the capacity of the associations's water and/or sewer system is exhausted by the needs of its existing members.

Section 2. In case of the death of a member, or if a member cease to be eligible to hold membership as provided in Section 1, or wilfully fails to comply with these By-Laws and other requirements or wilfully obstructs the purposes and proper activities or the association, the association, through the Board of Directors may elect to purchase his membership certificate and terminate his membership upon tender to him or his heirs or legal representatives of the fair book value of his membership certificate as determined by the Board of Directors, together with any dividend due and unpaid less any indebtedness then due from him to the association. Any member whose membership is so terminated or cause other than that of ceasing to be eligible may appeal from the action of the Board of Directors to vote of the members at the next regular meeting of the members or special meeting of the

members called for such purpose.

Section 3: Each member shall be entitled to one vote on each matter submitted to a vote of the members. Section 4: Membership in this association is transferrable and assignable upon a majority vote of the board of directors, provided the membership of a member in good standing who sells his whole farm, home or business, or dies, may be sold or assigned to the new purchase, legatee, or assignee. The board of directors shall not arbitrarily deny membership if the purchaser is fully qualified for membership. Any member who purchases the farm, ranch, home, business or membership certificate of another member must maintain the obligations of membership but without its voting rights.

ARTICLE V.

Membership Certificates

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

Section 2: The membership certificates shall be issued to each holder of a fully paid membership and shall be numbered consecutively, in accordance with order of issue. Each membership certificate shall bear on its face the following statements:

- a. This membership certificate is issued and accepted in accordance with and subject to conditions and restrictions stipulated in the Articles of Incorporation and By-laws and Amendments to the same of the Onaway Water and Sewer Association.
- b. Transfers of membership certificates shall be made only upon the books of the association, only to persons eligible to become members, and only when the

member transferring is free of indebtedness to the association.

- c. No member of this association shall be entitled to more than one vote at meetings of the members.

Section 3. All transfers of membership certificates shall be made upon the books of the association upon the 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 and only to persons eligible to become members and only when the transferring member is free from indebtedness to the association.

Section 4. If a membership certificate is lost or destroyed, the board of directors may, upon presentation of evidence satisfactory to the board of such loss or destruction, authorize replacement of the certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation to protect it against any claim that may be made against it, including any expense or liability, on account of the loss or destruction of the certificate or the issuance of the replacement certificate. In the event a member whose certificate has been lost or destroyed desires to transfer his or her membership, the board of directors may authorize the issuance of a new membership certificate directly to the transferee provided the requirements of Section 3 of this Article are met.

ARTICLE VI.

Meetings of Members

Section 1. ANNUAL MEETING. An annual meeting of the members shall be held at the corporate office on the second Wednesday in the month of October in each year,

beginning with the year 1969, at the hour of 7:00 o'clock P.M., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Idaho, such meeting shall be held at the same time on the next succeeding business day. If the election of directors shall not be held on the day designed herein for an annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held on the day designated herein for an annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth of the members having voting rights.

Section 3. PLACE OF MEETING. The place of the meeting shall be at the corporate office.

Section 4. NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting not less than ten (10) nor more than fifteen (15) days before the date of such meeting, by or at the direction of the president or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these by-laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the member at this address

as it appears on the records of the corporation, with postage thereon prepaid.

Section 5. QUORUM. The members holding twenty-five (25) percent of the voting rights of all outstanding memberships shall constitute a quorum. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 6. PROXIES. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or his duly authorized attorney in face. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 7. ORDER OF BUSINESS. 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 unapproved minutes.
4. Reports of officers and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE VII.

Board of Directors

Section 1. GENERAL POWERS. The affairs of the corporation shall be managed

by its Board of Directors. Directors must be residents of Latah County, State of Idaho, and members of the corporation.

Section 2. NUMBER, TENURE AND QUALIFICATIONS: The Board of Directors of this association shall consist of five (5) members, all of whom shall be members of the association. 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 have qualified. At the first annual meeting of the members, one director shall be elected for a term of one year; two directors for a term of two years; and two directors for a term of three years. At each annual meeting thereafter, the members shall elect for a term of three years the number of directors whose terms of office have expired.

Section 3. REGULAR MEETINGS. A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time for holding of additional regular meetings of the board without any other notice than such resolution, and the place shall always be the corporate office in Idaho, or at the residence of any of the members of the Board of Directors.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors.

Section 5. NOTICE. Notice of any special meeting of the Board of Directors shall be given at least two days previous thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States

mail in a sealed envelope so addressed with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by-laws.

Section 6. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. MANNER OF ACTING. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these by-laws.

Section 8. VACANCIES. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 9. COMPENSATION. Compensation of officers and directors may be fixed at any regular or special meeting of the members of the association.

Section 10. REMOVAL FROM OFFICE. Any director of the association may be

removed from office for cause, by vote of not less than two-thirds of the members of the association present at any annual or at any special meeting called for the purpose, at which a majority of the members shall be present. The director shall be informed in writing of the charges preferred against him at least ten (10) days before such meeting, and at the meeting shall have an opportunity to present witnesses and be heard in person in answer thereto.

Officers may be removed for cause by vote of two-thirds of the members of the board, and employees or agents discharged or removed from office or employment at any time by action of the Board of Directors.

VIII.

Duties of Directors

Section 1. The Board of Directors, subject to restrictions of law, the Articles of Incorporation or these By-Laws, shall exercise all of the powers of the association, 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 (to be exercised by resolution adopted by a majority vote of all the members) in respect to the matters and as hereinafter set forth:

- A. To act upon applications for membership and to cause to be issued appropriate certificates of membership.
- B. To select and appoint all officers, agents or employees of the association for just cause, prescribe such duties and designate such powers as may not be inconsistent with these by-laws, fix their compensation and pay for faithful services.

- C. To borrow from any source, money, goods and/or services, and to make and issue notes, and other 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 deem essential or convenient for the conduct of the business and affairs of the association 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 association by a competent public auditor or accountant. The report prepared by such auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the association at their annual meeting.
- F. To fix the charges to be paid by each member for services rendered by the association to him, the time of payment and the manner of collection.
- G. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the association to give adequate bonds, the cost thereof to be paid by the association, and it shall be mandatory upon the directors to so require.
- H. To select one or more banks to act as depositories of the funds of the association and to determine the manner of receiving, depositing and

disbursing the funds of the association and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

- I. To levy assessments against the membership certificates of the association and to enforce the collection of such assessments by sale of delinquent certificates, provided that such assessments shall be made and delinquent certificates sold in such manner as may be specified in Section 30-157 of the Idaho Code or amendments thereof.
- J. To sell or rent water to persons or groups of persons who are not members of the association, but who are accessible to service from the association's system and who need an amount of water for domestic, livestock and garden purposes, provided that such sale or rental of water shall only be made at such times and during periods when there is water in the association's system in excess of all the needs of the members of the association and their requests for water, and , provided, further, that the sale or rental of water to such persons shall be made under contract in form approved by the Board of Directors, which shall clearly provide the limitations of such sale or rental, at rates which in no event shall be less than the total rates charged and assessments paid by members of this association.

ARTICLE IX.

Officers and Their Duties

Section 1. OFFICERS. The officers of the corporation shall be president, one vice-president, a secretary-treasurer, and such other officers as may be elected or appointed in accordance with the provisions of this article.

Section 2. REMOVAL. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgement the best interests of the corporation would be served thereby, but such removal will be without prejudice to the contract right, if any, of the officer so removed.

Section 3. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 4. PRESIDENT. The president shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws or by statute to some other officer or agent of the corporation, and in general he shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. VICE-PRESIDENT. In the absence of the president or in the event of his inability or refusal to act, the vice-president shall perform the duties of the president, and

when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

Section 6. SECRETARY-TREASURER. The secretary-treasurer shall keep a complete record of all meetings of the association and of the Board of Directors and shall have general charge and supervision of the books and records of the association. He shall sign all membership certificates with the president and such other papers pertaining to the association as he may be authorized or directed to do so by the Board of Directors. He shall serve all notices required by law and by these by-laws and shall make a full report of all matters and business pertaining to the office to the members at the annual meeting. He shall keep the corporate seal and membership certificate records of the association, complete and countersign all certificates issued, and affix said corporate seal to all papers requiring seal. He shall keep a proper membership certificate record, showing the name of each member of the association, date of issuance, surrender, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required of him by association or the Board of Directors. Upon the election of his successor, the secretary-treasurer shall turn over to him all books and other property belonging to the association that he may have in his possession. He shall have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Articles XI of these by-laws.

Article X.

Committees

Section 1. COMMITTEES OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation, but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual director, of any responsibility imposed upon it or him by law.

Section 2. OTHER COMMITTEES. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation shall appoint the members thereof. Any number thereof may be removed by the person or persons authorized to appoint such member whenever in their judgement the best interests of the corporation shall be served by such removal.

Section 3. TERM OF OFFICE. Each member of a committee shall continue as such until the next annual meeting of the members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. CHAIRMAN. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 5. VACANCIES. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. QUORUM. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. RULES. Each committee may adopt rules for its own government not inconsistent with these by-laws or with rules adopted by the Board of Directors.

ARTICLE XI.

Contracts, Checks, Deposits and Funds

Section 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. CHECKS, DRAFTS, ETC. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In

the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer and countersigned by the president or acting president of the corporation.

Section 3. DEPOSITS. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. GIFTS. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes and for any special purpose of the corporation.

Section 5. DISTRIBUTION OF SURPLUS FUNDS. It is not anticipated that there will be any net income. If there should be any, then at the end of the fiscal year, after paying the expense of the association for operation and otherwise and after setting aside reserves for depreciation on 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 principal of obligations and amortized debts of the association, 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 association and for such other purposes as the Board of Directors may determine to be for the best interests of the association. 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 by-laws, on the basis of the assessments and charges made and levied against and paid by such members during the year. Any part or the

whole of said 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 XII.

Benefits and Duties of Members

Section 1. The association will install, maintain and operate a main distribution pipe line or lines from the source of the water supply and service lines as provided in the articles of incorporation. The cost of such service line or lines shall be paid by the association. The association will also purchase and install a cut-off valve in each service line from its main distribution line or lines, each shut-off valve in each service line from its main distribution line to be owned and maintained by the association and to be installed on some portion of the service line owned by the association. The association shall have the sole and exclusive right to use such cut-off valve and to turn it on and off.

- (a) The association will install, maintain and operate a main line for the collection of sewerage and maintain a purifying and disposing unit. The association will supervise all connections to the main sewer line and all members will have to bring their lines at their own cost to the main lines and to maintain their own lines.

Section 2. Each member shall be entitled to the number of service lines from the association's water system as provided in the Articles of Incorporation. No new service line or change in an existing service line may be made which will interfere with an existing line or the delivery of water therein. Each service line shall connect with the association's water

system at the nearest available place to the place of desired use by the member if the association'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 association'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 association. Each member will be required to dig or have dug a ditch for the connection of his line to the service line and will also be required to purchase and install his line or lines and to maintain his line or lines at his own expense, provided that the association may, if the Board of Directors so determine, purchase the pipe for and install such portion of such line or lines, the cost of which will, however, be paid by the individual members.

Section 3. Each member shall be entitled to purchase from the association such water for domestic, livestock and garden purposes as a member may desire, subject, however, to the provisions of those by-laws and to such rules and regulations as may be prescribed by the Board of Directors. Each membership shall be entitled to have delivered to it only such water as may be necessary to supply the domestic needs of that membership and of the livestock owned by it and to irrigate a garden of not to exceed three (3) acres.

Section 4. In the event the total water supply shall be insufficient to meet all of the needs of the members of in the event there is a shortage of water, the association may prorate the water available among the various members on such basis as is deemed equitable by the Board of Directors, and may also prescribe a schedule of hours covering use of water

for garden purposes by the members and required adherence thereto, or prohibit the use of water for garden 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 garden purposes the association must first satisfy all of the needs of all of the members for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the members for both domestic and livestock purposes before supplying any water for garden purposes.

Section 5. (a) Each member, upon payment of the membership fee, shall be entitled to have one service connection installed at a point which may conveniently be tapped for the supply of water to the premises occupied by him, and upon payment of recurring water charges and also assessments shall be entitled to a supply of water as available from the system of the corporation.

(b) Each member shall be entitled to have each service connection for the household, stock and garden of that member, and the association will provide the necessary pipe, system and maintenance thereof to a point thirty (30) feet from said household.

(c) Each member shall be entitled to one additional service connection for stock watering, provided the member shall pay all costs of this service connection and maintenance thereof, including but not limited to the cost of connection.

(d) Subdivision of the property in any way will not of itself entitle the additional property or properties to membership herein without meeting other eligibility requirements.

(e) "Household" means one family unit.

(f) Temporary membership may be issued on the basis of one such membership to a permanent membership. This temporary membership may be used only by one tenant-employee family of the permanent member. Monthly charges for this temporary membership shall be established from time to time by the Board of Directors. In the event of a water shortage as determined by the Board of Directors, temporary memberships shall be canceled before other water rights are curtailed.

(g) Each membership may have other sewer connections as long as they meet the water requirements and the disposal units can carry the extra sewerage installations with the approval of the Board of Directors.

Section 6. The Board of Directors shall, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each member during the following calendar year for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month; the amount of additional charges, if any, for additional water which may be supplied the members; 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 association at or prior to the dates fixed by the Board of Directors. The Board of Directors shall, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each member during the following calendar year for the monthly sewerage rate; 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 association at or prior to the dates fixed by the Board of Directors. The failure to pay water and sewerage charges duly imposed shall result in the automatic imposition of the following penalties:

- a. Non-payment for thirty days after due. The water shall be cut off from the delinquent member's property.
- b. Non-payment for sixty days: Membership in this association may be terminated and the membership certificates purchased as provided for in Article XII, section 6 a, of these by-laws, or in the alternative the Board of Directors may declare the certificate void and the meter can be seized and may at the will of the association as rightful owners of the meter, be put up for auction and subsequently sold.

ARTICLE XIII.

Books and records

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and address of the members entitled to vote. All books and records of the corporation may be inspected by any member,

or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE XIV.

Waiver of Notice

Whenever any notice is required to be given under the provisions of the laws of Idaho or the by-laws of the corporation a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XV.

Liability

Section 1. The president and treasurer shall not pay out the funds of the association for any extraordinary expense without the authority of the Board of Directors. No committee shall render the association liable to an amount exceeding that appropriated to it by the Board of Directors.

Section 2. Members shall not be liable for any debts or obligations of the corporation but they shall be subject to an assessment.

ARTICLE XVI.

These by-laws may be repealed or amended by a vote of a majority of the members at any regular meeting of the association, or at any special meeting of the association called for the purpose, except that the members shall not have power to change the purposes of the association 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 association or its members, or to deprive any member of rights and privileges

then existing. Notice of any amendment to be made at a regular or special meeting of the members must be given at least ten days and not more than fifteen days before such meeting and must act for the amendments to be considered.

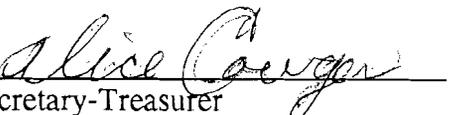
Duly adopted at the first meeting of the membership held this 8 day of Sept, 1969.



President

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Secretary Treasurer of the corporation known as Onaway Water and Sewer Association, Inc. does hereby certify that the above and foregoing by-laws were duly adopted by members of said corporation as the by-laws of said corporation on this 8 day of Sept, 1969, and that they now constitute the by-laws of said corporation.

Attest:



Secretary-Treasurer

Amendment to By-Laws

June 8th, 1992

Article XVI.

All new memberships:

The board of directors of the Onaway Water and Sewer Association, shall only issue you a membership, with restriction, and you shall also comply with all the rules, regulations tat are listed below, plus you shall comply with all the other rules, regulations and by-laws

set by the association not listed on this page.

The new membership shall be only issued for a permanent residence, (not a mobile (Single wide) home) a double wide is acceptable) of \$30,000.00 dollars or above. Everything must be set on a permanent foundation.

Construction of said residence shall begin within 60 days, from date application is accepted.

Construction shall be completed in 1 year.

You shall be required to give a copy of the building permit, (from the city of Onaway) to the board of directors.

You will be required to pay the full membership and hook-up fees, plus all materials and labor. (materials will be at the current prices)

The membership fee are as follows:

A connection fee of \$700.00

A sewer hook-up inspection 25.00

A service deposit fee 25.00

Total membership fee \$750.00 plus all materials and labor

You shall be required to submit in writing, a letter of application signed by the owner, and accompanied by the total membership and hook-up fee of \$750.00 dollars.

You shall be required to pay in full all of the cost of material and labor when the lines are completed.

You shall be required to pay a monthly fee, due on the 10th of the following month.

All water bill shall be paid by the owner of the property.

If the restrictions, rules, regulation and by-laws are not properly followed, and said residence, and hook-up are not completed by the 1 year allowed, The Board of Directors of the Onaway Water and Sewer Association shall revoke the membership, and the Service Deposit fee of \$25.00 shall not be refunded.

You will receive more information on the rules, regulations and by-laws when your application is received.

Please read all of the above, before signing.

DATED THIS DATE OF _____

SIGNATURE OF APPLICANT _____

The signature of the applicant, has been witnessed by the Secretary/Treasurer of the Onaway Water and Sewer Association.

SIGNATURE of Secretary/Treasurer _____

Also this agreement shall and/or be signed by the President of the Onaway Water and Sewer Association.

SIGNATURE of President _____

DATED THIS DATE OF _____

ASSOCIATION SEAL ----

~~If any existing member who wishes to remove a non-operating (dead meter) to a new location, the membership (owner) will be charged the same fee as a new member.~~

Article XVII

AMENDMENT TO THE BY-LAWS THE ONAWAY WATER AND SEWER ASSOCIATION

Passed July 29, 1996 by the board of directors of the association.

Subject: Purchasing or moving a membership meter

Before the membership can be completed the following rules, regulation and by-laws are to be met on all new and existing memberships.

- I. Memberships purchased from the Association
 - A. Fill out an application and membership agreement.
 - B. Membership must build a home or a building (ex., a shop) valued at \$30,000.00 or more.
 - C. A copy of building permit is required.
 - D. Home or building must set on a permanent foundation (a permanent foundation is classified as permanent pads or a cement foundation, with all wheels removed if it is a manufactured home).
 - E. Members must pay fees required \$750.00 for membership plus all installation costs (materials and labor) at the current prices.
 - F. All memberships (meter) must remain within the city limits of Onaway.
 - G. Members are required to abide by all rules, regulations, and by-laws of the association.
- II. Memberships purchased from a private individual
 - A. May negotiate own price, but are required to follow rules of the association
- III. Membership (meter) purchased from private individuals, and is not moved from present location, do the following rules apply:
 - A. A deposit of \$25.00 to the association.
 - B. A transfer fee of \$10.00 to the association will be paid by the new member.
- IV. Membership (meter) purchased from a private individual and moved from the existing location to the new location, do the following rules apply:
 - A. Membership (meter) must remain within the city limits of Onaway.
 - B. Meter must be moved by a certified or bonded contractor at the expense of the owner of membership. Or
 - C. Meter may be moved by the association at current fees charged at owners expense.
 - D. A home or building (ex., a shop) valued at \$30,000.00 or more is in effect.
 - E. A copy of building permit is required

- F. Deposit a fee of \$25.00 plus a transfer fee of \$10.00 paid by the new member to the association.
- G. Fill out membership agreement
- V. All memberships will be required to abide by rules, regulations and by-laws of the association.
- VI. Any rules, regulations, or by-laws broken by members can result in forfeiting of membership (meter) back to the association.
- VII. The association reserves the right to inspect any or all hookups. This includes connections, dis-connects, also water lines, and sewer lines leading to or from any new or existing meter.

Marlinda Hendershott
Secretary/Treasurer
Onaway Water and Sewer Association