BYLAWS
OF
BRUNNER HILL PUBLIC WATER AUTHORITY

These Bylaws are adopted by the Brunner Hill Public Water Authority (the "**Authority**") as of January 3, 2026, in connection with the conversion of the Brunner Hill Water Association, Inc., into a public water authority, as allowed by the provisions of the Arkansas Public Water Authority Act. It is acknowledged and understood that the subject conversion is occurring in order to provide the Authority with direct access to long-term tax-exempt financing that is not otherwise available to water utilities that are formed as not-for-profit corporations.

ARTICLE I
Offices and Agent

The Authority may have such offices, within Baxter, Fulton or Izard County, Arkansas, as the Board of Directors may designate or as the business of the Authority may require from time to time.

The registered office of the Authority required by the Arkansas Public Water Authority Act to be maintained in the State of Arkansas may be, but need not be, identical with the principal place of business of the Authority in the State of Arkansas as designated by the Board of Directors. The address of the registered office or the identity of the registered agent may be changed from time to time by the Board of Directors.

The address of the initial registered agent of the Authority is 425 West Capitol Avenue, Suite 3800, Little Rock, Arkansas 72201, and the name of the initial registered agent of the Authority at such address is Heartsill Ragon III.

ARTICLE II
Users

Section 1 Annual Meeting. The annual meeting of the Users of the Authority shall be held, on a date set by the Board of Directors, for the purpose of electing directors and the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of Arkansas, such meeting shall be held on the next subsequent Saturday. If the election of directors is not held on the day designated for any annual meeting of the Users or at any adjournment thereof, the Board of Directors shall cause such election to be held at a special meeting of the Users as soon thereafter as may be convenient. The place, day, and time of the annual meeting may be changed to any other convenient place, day, and time by the Board of Directors, giving notice thereof to each User pursuant to Section 4 of this Article II. No matters may be submitted by any User(s) to the Authority Users for a vote and consideration unless said matter shall have first been delivered to the Authority secretary at least 60 days prior to the date of said annual meeting. No other matters from the floor may be considered or voted upon by the Users.

Section 2 Special Meetings. Special meetings of the Users, for any purpose or purposes, may be called by the President, the Board of Directors, or by Petition executed by not less than one-tenth of the total Users of the Authority entitled to vote at the meeting. Any Petition seeking the call of a Special Meeting of the Users shall state, on the face of the Petition, the purpose for which such meeting is to be called. Unless identified in the notice of special meeting, no other matters may be considered by the Users during the course of any special meeting. No matters may be submitted by any User(s) to the Authority Users for a vote and consideration unless said matter shall have first been delivered to the Authority secretary at least 60 days prior to the date of said special meeting. No other matters from the floor may be considered or voted upon by the Users.

Section 3 Place of Meeting. The Board of Directors may designate any place, within Baxter, Fulton or Izard County, Arkansas, as the place of meeting for any annual or special meeting of Users.

Section 4 Notice of Meeting. Written or printed notice stating the place, day and time of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting – either personally or by mail, by or at the direction of the President, the Secretary, any officer designated for such purpose by the Board of Directors, to each User entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the User at his address as it appears in the records of the Authority, with prepaid postage thereon. The attendance by a User, whether in person or by proxy, at a User's meeting shall constitute a waiver of notice of such meeting of which he has had no notice.

Section 5 Users Lists. The Secretary of the Authority, or his designee, shall make, at least ten days before each meeting of Users, a complete list of the Users entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Authority or at its principal place of business in the State of Arkansas, and shall be subject to inspection by any User at any time during usual business hours. Such list also shall be produced and opened at the time and place of the meeting and shall be subject to inspection by any User during the meeting. The books and records of the Authority shall be prima facie evidence as to who are the Users entitled to examine such list and to vote at any meeting of Users or any adjournment thereof.

Section 6 Quorum. The Users present at any meeting of the Users, represented in person or by proxy, shall constitute a quorum for the transaction of all business.

Section 7 Ballots by Mail.

(a) Voting by Ballot. Subject to the provisions hereof, Users shall be permitted to

vote upon the election of directors, and upon any other specific issue which may come before a meeting of the Users by ballot. With the Notice of any Annual or Special Meeting of the Users, there shall be included a printed ballot. A User may express his vote upon the election of directors or such other issue reflected upon the ballot by marking the ballot in accordance with the instructions thereon. All ballots so voted shall be returned to the offices of the Authority at 1145 Rodney Road, Jordan Arkansas 72519, prior to such date preceding the meeting of the Users as shall be fixed by the Board of Directors, in a sealed envelope provided by the Authority. Only original ballots shall be accepted. The Board of Directors, or their designee, shall open the ballots so submitted at the meeting of the Users. The Board of Directors shall have final authority to determine whether any ballot so submitted shall be counted, and to resolve all issues respecting irregularities with respect to any such ballot or ballots. The Board of Directors shall have the authority, from time to time, to prescribe other rules or procedures respecting voting by ballots.

(b) Voting in Absence of Contested Election. The provisions of Section 7(b) notwithstanding, no printed ballot shall be required to be submitted to the Users upon any annual election of directors for the Corporation in the event that a candidate for director is unopposed. In such event, the Users shall be entitled to cast their votes for the election of such unopposed candidate in person or by proxy at the annual meeting of the Users.

ARTICLE III
Board of Directors

Section 1 General Power. The business and affairs of the Authority shall be managed by its Board of Directors, except as the Board of Directors may delegate the power to so manage to any committee appointed by the Board, or to employees of the Authority.

Section 2 Number, Tenure and Qualifications. The number of directors composing the Board of Directors shall be five (5). Each director shall hold office, unless he earlier dies, resigns or is removed in the manner herein provided, for a term of three (3) years, or until his successor has been duly elected and qualified; provided, however, that the terms of office regarding those individuals constituting the Board of Directors as noted below, shall expire on the dates noted below. Thereafter, replacement members of the Board of Directors shall each hold staggered three-year terms of office. All directors must be Users of the Authority. As of the date hereof, the following individuals are hereby elected to serve as members of the Board of Directors for the following terms of office:

Name:	Term Expires:
Danny Woods	2028
David Phillips	2027
Shawn Hargett	2026
Jeff Berry	2028
Richard Hazel	2027

Section 3 Procedures for Election of Directors.

(a) The Users shall be responsible for electing directors to fill those vacancies as may occur from year to year. In order to provide the Users with a slate of director candidates from which to choose, the Board of Directors will select a three (3) person Nominating Committee (the "Nominating Committee") which will be responsible for recommending to the Board of Directors an appropriate slate of candidates to fill the vacancies on the Board of Directors. The Nominating Committee shall make its selections based upon the criteria set forth in these by-laws including, but not limited to, those geographical area of service of the Authority. Once determined, the Nominating Committee shall submit its proposed slate of candidates to the Board of Directors at a Regular Meeting of the Board of Directors for approval by the Board of Directors no later than sixty (60) days prior to the Annual Meeting. All ballots shall indicate which director candidates have been selected by the nominating committee.

(b) No Nominations from Floor. No nominations for the election of a user of the Board of Directors shall be received from the floor at a meeting of the Users, the procedure hereinbefore set forth being the sole and exclusive method for nomination of a person as a candidate for a position on the Board of Directors.

Section 4 Regular Meetings. A regular meeting of the Board of Directors shall be held, without notice other than this Section 4, immediately after, and at the same place as, the annual meeting of Users. The Board of Directors shall hold additional regular meetings every other month during each calendar year on a date set by the Board of Directors, at 7:00 p.m.

Section 5 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place for the holding of any special meeting.

Section 6 Notice.

(a) Notice of Regular Meetings. There shall be no notice given to directors of a regular meeting of the Board of Directors other than the provisions of Section 4 of Article III.

(b) Notice of Special Meetings. Notice of any special meeting shall be given at least two days prior thereto by written notice delivered personally or mailed to each director at his business address, or by telegram, telex, telecopy or any similar means of visual data transmission, or by telephone. If the notice is mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed and with prepaid postage thereon. If the notice is given by telegram, telex, telecopy or any similar means of visual data transmission, such notice shall be deemed to be delivered when transmitted for delivery to the recipient. Telephone or written notice of any such Special Meetings shall be given by

Association employees to the Mayors of all incorporated cities or towns served by the Association.

(c) Waiver of Notice. Any director may waive notice of any meeting. The attendance of a director at a 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 7 Quorum. A majority of the number of directors fixed in accordance with Section 2 of this Article III shall constitute a quorum of directors for the transaction of business at any meeting of the Board of Directors. If less than a quorum of directors is present at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8 Manner of Acting. An act of the majority of the directors present at a meeting at which there is a quorum shall constitute an act of the Board of Directors.

Section 9 Participation. A director agrees to attend at least six (6) meetings of the Board of Directors per year. For purposes of this subsection, a director that fails to attend the minimum amount may be removed from the Board of Directors by the remaining members of the Board of Directors. A vacancy in the Board of Directors occurring under this subsection shall be filled only by action of the remaining directors. A director elected to fill such vacancy shall serve until the next annual meeting, at which time the Users will elect a director in accordance with Article III, Section 10 below.

Section 10 Vacancies. A vacancy on the Board of Directors shall exist when a director dies, resigns or is removed by the Users. Any vacancy on the Board of Directors occurring by reason of the death or resignation of a director may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. Any vacancy in the Board of Directors occurring through Users' action in removing a director shall be filled only by action of the Users of the Authority. A director elected to fill a vacancy shall serve for the unexpired portion of the term of his predecessor in office.

Section 11 Removal. At any meeting of Users called expressly for such purpose, any director or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the Users then entitled to vote at an election of directors. When a director is so removed, the resulting vacancy in the Board of Directors shall be filled by action of the users, and may be filled at the same meeting or at a subsequent meeting. Any director so elected to fill a vacancy on the Board of Directors shall serve in such capacity for the unexpired term of the director so removed.

Section 12 Presumption of Assent. A Director who is present at a meeting of the Board of Directors in which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless (a) his dissent to such action is entered in the minutes of the meeting, (b) he files his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or (c) he forwards his written dissent to such action by registered mail to the Secretary of the Authority immediately after the adjournment of the meeting. Such right to dissent to an action of the Board of Directors shall not apply to a Director who voted in favor of such action.

Section 13 Committee of Directors. The Board of Directors may establish one or more committees of directors, each composed of not less than three directors designated by a resolution adopted by a majority of the full number of directors on the Board of Directors as fixed in accordance with Section 2 of this Article III. Such committees of directors may meet on dates and at times and places specified in the authorizing resolution of the Board of Directors or upon the giving of written notice by any member of such committee calling such meeting to all other members of such committee. Any vacancy in such committees of directors shall be filled by a majority vote of the full number of directors on the Board of Directors at a regular meeting or at a special meeting called for such purpose.

During intervals between meetings of the Board of Directors, such committees of directors may advise and aid the officers of the Authority in all matters concerning its interest and the management of its business, and shall generally perform such duties and exercise such powers as permitted by law and as may be delegated from time to time by the Board of Directors. The Board of Directors may delegate to such committees of directors the authority to exercise any of the powers of the Board of Directors, the delegation of which is not prohibited by the Arkansas Business Authority Act. The designation of and delegation of power to such committees of directors shall not operate to relieve the Board of Directors or any member thereof of any responsibility imposed upon it or him by law.

ARTICLE IV
Officers

Section 1 Number. The officers of the Authority shall be a President, one or more Vice Presidents (as may be prescribed from time to time by the Board of Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. The Board of Directors may elect such other officers as it deems necessary or appropriate from time to time. The same person may hold any two or more offices, except the office of President.

Section 2 Election and Term of Office. The officers of the Authority shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the Users. If the election of officers is not held at any such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office for a term of one (1) year, unless he earlier dies, resigns, is removed or until his successor has been duly elected and qualified.

Section 3 Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Authority would be served thereby.

Section 4 Vacancies. A vacancy in any office may be filled by the Board of Directors. An officer elected to fill a vacancy shall serve for the unexpired portion of the term of his predecessor in office.

Section 5 President. The President shall be the principal executive officer of the Authority and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Authority. He shall preside at all meetings of the Users and of the Board of Directors. He shall perform all duties incident to the office of President and such other duties as the Board of Directors may from time to time assign to him.

Section 6 The Vice Presidents. In the absence of the President or, in the event of his death, inability, or refusal to act, the Vice President (or if there are two or more Vice Presidents, then the Vice Presidents in the order designated at the time of their election, or in the absence of any such designation, then in the order of their election) shall perform the duties of President and, when so acting, shall have all of the powers of and be subject to all of the restrictions upon the President. He shall perform such other duties as the President or the Board of Directors may from time to time assign to him.

Section 7 The Secretary. The Secretary shall (a) keep the minutes of the Users and the Board of Directors meetings in one or more books provided for that purpose; and (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and seal of the Authority and see that the seal of the Authority is affixed to all documents as may be necessary or appropriate; (d) keep a register of the post office address of each User furnished to the Secretary by such User; and (e) in general, perform all duties incident to the office of Secretary and such other duties as the President or the Board of Directors may from time to time assign to him. Notwithstanding the foregoing, the Secretary may delegate to an employee of the Authority, the recordkeeping obligations hereinbefore described.

Section 8 The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall (a) have charge and custody of and be responsible for all funds and securities of the Authority from any source whatsoever, and deposit all such funds and securities in the name of the Authority in such banks, trust companies, or other depositories as the Board of Directors shall designate from time to time; and (b) in general, perform all of the duties incident to the office of Treasurer and such other duties as the President or the Board of Directors may from time to time assign to him. The office of Treasurer and Secretary may be filled by the same person. The Treasurer may delegate to employees of the Authority all recordkeeping obligations imposed upon the Treasurer as hereinabove set forth.

Section 9 Assistant Secretaries and Assistant Treasurer. The Assistant Secretaries, when authorized by the Board of Directors, may sign, with the President or a Vice-President, certificates for shares of the Authority, the issuance of which has been authorized by a resolution of the Board of Directors. The Assistant Treasurers, if required by the Board of Directors, shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as the Secretary or the Treasurer, respectively, or the President or the Board of Directors may from time to time assign to them.

ARTICLE V
Fiscal Year

The Board of Directors shall fix, by resolution, the fiscal year of the Authority from time to time; but, in the absence of action by the Board of Directors, the Authority shall operate on a calendar year.

ARTICLE VI
Seal

The Board of Directors may, but need not, provide a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the Authority, the state of incorporation, and the words "An Arkansas Public Water Authority."

ARTICLE VII
Waiver of Notice

Whenever any notice is required to be given to any User or director of the Authority under the provisions of these Bylaws or the Arkansas Public Water Authority Act, 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 VIII
Procedure

Meetings of the Users and of the Board of Directors shall be conducted, to the extent applicable, in accordance with the procedures contained in Robert's Rules of Order.

ARTICLE IX
Benefits and Duties of Users

Section 1 Obligations of the Authority. The Authority will install, maintain, and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipeline or lines to the property line of each user of the Authority,

at which points designated as delivery points, meters to be purchased, installed, owned, and maintained by the Authority shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the Authority to the property line of each user shall be paid by the Authority. The Authority also may purchase and install a cutoff valve in each service line from its main distribution line or lines; such cutoff valve to be owned and maintained by the Authority and to be installed on some portion of the service line owned by the Authority. The Authority shall have the sole and exclusive right to use such cutoff valve; however, the provisions of this section shall not be construed to require the acquisition or installation of meters or cutoff valves where the Directors determine under the circumstances of the system and the nature of the consumer that the use of either or both such devices is impractical, unnecessary to protect the system and the rights of the consumer, and/or economically not feasible.

Section 2 Obligations of the Users. Each user will be required at his own expense to have a ditch dug for the connection of the service line or lines from the property line of the user to his dwelling or other portion of his premises, and to purchase and have installed the portion of the service line or lines from his property line to the place of use on his premises. The user will maintain such portion of such service line or lines which shall be owned by the user at his own expense. In addition, each user shall pay such connection charge or meter deposit, if any, as may have been imposed by the Board of Directors before such user will be entitled to receive water from the system.

Section 3 Additional Service Lines. Each user may be permitted to have additional service lines from the Authority's water system at the discretion of the Board of Directors upon proper application therefor and the tender of payment not to exceed the then existing connection charge. The approval by the Board of Directors of additional service lines to an existing user may be made conditional upon such provisions as the Board of Directors determines necessary to protect the interests of other users and to allow for the orderly expansion and extension of the system to serve other property that may need service along the distribution lines of the system. Each service line shall connect with the Authority's water system at the nearest available place to the place of desired use by the user if the Authority's water system has sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the Authority's water system is 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 designated by the Authority.

Section 4 Additional Water Supply. Each user may be permitted to purchase from the Authority, pursuant to such agreement as may from time to time be provided and required by the Authority, such water as is needed by him for domestic, commercial, agricultural, industrial or other purposes as a user may desire subject, however, to the provisions of these Bylaws and to such rules and regulations as may be prescribed by the Board of Directors. Each user shall be entitled to have delivered to him through his service lines only such water as may be necessary to supply the needs of each user, including his family, business, agricultural, or industrial requirements. The water delivered through each service line may be metered separately, and

the charges for such water may be determined separately irrespective of the number of service lines owned by a user.

Section 5 Procedure for Water Shortage. In the event the total water supply shall be insufficient to meet all of the needs of the user or in the event there is a shortage of water, the Authority may prorate the water available among the various user 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 commercial, agricultural, or industrial purposes by particular user, and require adherence thereto or prohibit the use of water for commercial, agricultural, or industrial purposes; provided that, if at any time the total water supply shall be insufficient to meet all of the needs of all of the user for domestic, livestock, commercial, agricultural, or industrial purposes, the Authority must first satisfy all of the reasonable needs of the users for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the users for domestic and livestock purposes before supplying any water for commercial or industrial purposes; and, provided further that, where a user has more than one service line, the Authority may cut off the flow of water to the nondomestic service lines until such time as the supply of water from the system is sufficient to meet the needs of all of the users for domestic, livestock, and garden purposes. During such periods of shut off of additional service lines, there shall be no minimum fee charged to the users having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the Authority.

Section 6 Rates. The Board of Directors shall, so long at it shall either hold any obligations or insure any financing of the system prior to the beginning of each calendar year, determine the flat, minimum monthly rate to be charged each user 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 user during any month, the amount of additional charges, if any, for additional water which may be supplied by the users, and the amount of penalty for late payments, and shall fix the date for the payment of such charges. A user to be entitled to the delivery of water shall pay such charges at the office designated by the Authority at or prior to the dates fixed by the Board of Directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

(a) Nonpayment of account by the 16th day of the month in which it is due will be subject to a penalty of ten percent (10%) of the delinquent account, which percent may be changed at the discretion of the Board of Directors

(b) Nonpayment of account by the 1st day of the month in which it is due will result in the water being shut off from the user's property without any notice thereof to such delinquent user. Upon the payment by the delinquent user of past due water charges, penalties thereon, and any reconnection charge, such user shall be entitled to resumption of the water supply. During the time of such suspension of water to a user, such user shall have no right to vote in the affairs of the Authority.

Section 7 Water User Agreements. The Board of Directors shall be authorized to require each user to enter into water users agreements which shall embody the principles set forth in the foregoing provisions of these Bylaws.

Section 8 Rules. The Board of Directors may adopt and modify from time to time any additional rules and regulations pertaining to the providing of water service, the collection of outstanding and past due water invoices, and those other matters that the Board of Directors may deem appropriate. Without limiting the foregoing, the Board of Directors may set additional late payment fees, fees related to the setting of water meters, fees related to the connection or disconnection of water meters, and any and all other fees and costs that the Board of Directors might adopt from time to time. Moreover, all users are hereby notified that any direct or indirect actions or devices that a user might take to consume water that is not reflected by the user's water meter shall be deemed to constitute theft of services and violators will be reported to law enforcement officers for prosecution.

ARTICLE X
INDEMNIFICATION

Section 1 The Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Authority against such person) by reason of the fact that the person is or was a director, officer, employee or agent of the Authority, or is or was serving at the request of the Authority as a director, officer, employee or agent of another authority, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the subject conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner in which the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the subject conduct was unlawful.

Section 2 The Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the Authority, or is or was serving at the request of the Authority as a director, officer, employee or agent of another authority, corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the

person reasonably believed to be in or not opposed to the best interests of the Authority and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Authority unless and only to the extent that the court in which such action or suit was brought shall determine on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3 To the extent that a director, officer, employee or agent of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 10.1 or 10.2, or in defense of any claim, issue or matter therein, the person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection therewith.

Section 4 Any indemnification under Sections 10.1 or 10.2, (unless ordered by a court) shall be made by the Authority only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because the person has met the applicable standards of conduct set forth in Sections 10.1 or 10.2. Such determination shall be made (1) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) by the general users of the Authority.

Section 5 Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section 9.3 upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that the person is entitled to be indemnified by the Authority as authorized in this section.

Section 6 The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the provisions of any other document or agreement, both as to action in the person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 7 The Authority shall have the power to purchase and maintain insurance on the behalf of any person who is or was a director, officer, employee or agent of the Authority, or is or was serving at the request of the Authority as a director, officer, employee or agent of another authority, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Authority would have the power to indemnify him against such liability under the provisions of this Article.

Section 8 The powers and duties of the Authority to indemnify any person under this section shall apply with equal force whether an action, suit, or proceeding is threatened or commenced in this state or outside this state.

ARTICLE XI
Amendments

These Bylaws may be repealed or amended by a vote of the majority of the users present at any regular meeting of the Authority or at any special meeting of the Authority called for that purpose, except that so long as any indebtedness is held by or guaranteed by the United States Department of Agriculture--Rural Development, the users shall not have the power to change the purposes of the Authority 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 Authority or its users, or so to amend the Bylaws as to effect a fundamental change in the policies of the Authority without the prior approval of the United States Department of Agriculture--Rural Development in writing. So long as the foregoing obligations are observed, these Bylaws may additionally be modified and amended at any time upon the unanimous vote of all members of the Board of Directors.

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signatures to this document appear on the next page.]

PASSED AND ADOPTED this 3rd day of January, 2026, at a duly called meeting of the users.

BOARD OF DIRECTORS:

Danny Woods, President

David Phillips, Vice President

Shawn Hargett

Jeff Berry

Richard Hazel