

BYLAWS OF THE PACE WATER SYSTEM, INC.

DATED FEBRUARY 23, 2023

ARTICLE I GENERAL PURPOSES

The purpose for which this corporation is formed, and the powers it may exercise are set forth in the Articles of Incorporation of this Corporation.

ARTICLE II NAME AND LOCATION

Section 1: The name of this Corporation is The Pace Water System, Inc.

Section 2: The principal office of this Corporation shall be located within the water franchise area of The Pace Water System, Inc., County of Santa Rosa, State of Florida. This corporation may maintain branch offices as deemed necessary by the Board of Directors.

ARTICLE III SEAL

Section 1: The seal of this Corporation shall have inscribed thereon the name of this corporation and the year its organization, shall contain the words, "Corporation Not For Profit."

Section 2: The seal may be used by causing it to be impressed or affixed.

ARTICLE IV FISCAL YEAR

The fiscal year of this Corporation shall begin the first day of January.

ARTICLE V MEMBERSHIP

Section 1: Membership shall be granted to those persons who have:

A: Applied for and who have been approved for service from The Pace Water System, Inc. Approval for service, and therefore membership, may be denied by The Pace Water System, Inc., if it determines in its sole discretion that such service is not economically feasible or in the best interest of The Pace Water System, Inc.

B: Signed appropriate agreements and paid required deposits as determined by the Board of Directors.

Section 2:

- A: A person desiring the service of this Corporation will be required to sign a Customer Agreement and pay a refundable deposit based on rates set by the Board of Directors.
- B: A one-time non-refundable tap-on fee will be paid when initial service to a given location (residence, store, etc.,) are requested. This fee to be set by the Board of Directors.
- C: Each serviced location shall be entitled to only one vote. When more than one member owns or resides at a serviced location the vote for each serviced location shall be exercised as the members designate, but in no event shall more than one vote be cast for each serviced location. .
- D: No member shall be allowed to cast more than one (1) vote. If a member is registered with multiple separate serviced locations, the said member shall only cast one (1) vote for one of the serviced locations. However, the said member may designate a representative(s) to vote on behalf of the said member for up to two (2) of said member's additional service locations, creating possibility of three (3) total votes regardless of the number of separate serviced locations registered to any member. The said member must designate a separate representative for each of the separate service locations upon which a vote shall be cast.
- E: Any member may designate a representative to cast a vote on behalf of said member. This right to designate a member does not increase the number of votes entitled to a member as set forth in Article V. Section 2 (D). If a member designates a representative to vote on behalf of the member, proper notification must be given to this Corporation. The notice must be on file at this Corporation's main office no later than three (3) days prior to an election.
- F: All members or representatives who cast a vote must be at least 18 years old.
- G: When a member ceases to purchase the service of this Corporation, the member shall be deleted from the Membership List and will cease to be a member of this Corporation..
- H: A member shall be deemed to be in arrears if that member has not paid his or her usage charges for two consecutive monthly invoices by payment on or before the due date stated on the second said invoice. The Membership of a member in arrears shall be removed from this Corporation's current records and placed in delinquent records until such usage charges have been paid and the account brought up to date. The Board of Directors shall establish any fees involved in re-establishing the Membership in this Corporation's current records. All membership rights shall be denied until re-established in this Corporation's current records.
- I: There shall be no membership dues as such.

ARTICLE VI
MEMBERSHIP RECORDS

Section 1: This Corporation shall not have capital stock, but its capital shall be represented by membership recorded in accordance with the Florida Statutes.

Section 2: All memberships shall be numbered and recorded in a permanent membership record system.

ARTICLE VII ELECTIONS

Section 1: The Annual Election of the Board of Directors when required shall be held on the third (3rd) Thursday of February.

Section 2: Voting shall be at the main corporate office from 7:00 A.M. to 7:00 P.M.

Section 3: Qualification of candidates for the Board of Directors are:

- A. Only current members in good standing may qualify to be elected to the Board of Directors of this Corporation.
- B. They must fulfill membership requirements as per Article V of the Bylaws and reside in the District they wish to represent.
- C. All candidates applying (including incumbents) shall present notification of intent endorsed by five (5) sponsoring members.
- D. No employee of this Corporation, nor a parent or a child of an employee of this Corporation, nor a spouse of any of the aforesaid persons shall be eligible to serve on the Board of Directors.
- E. No prior employee of this Corporation whose employment was terminated for cause shall be eligible to serve on the Board of Directors for a period of five (5) year from the date of the said employee's termination.
- F. A candidate is not qualified or eligible for election if he or she is indicted for a felony or has ever been convicted of a felony.
- G. Candidate applications must be personally filed at the main corporate office no later than thirty (30) days prior to the election.
- H. If only one qualified candidate application is received for a District, the qualified candidate is automatically elected.
- I. If required three candidates shall be elected annually to the Board, one from each district. Each new member elected shall serve a term of two (2) years.

- J. In case of a tie in any District the candidates involved shall cast lots to be supervised by the election official.
- K. The franchise area shall remain in three Districts. The three Districts shall be reviewed every two (2) years to maintain population balance.

Section 4: The three newly elected Directors and the three (3) remaining Board members shall elect President, Vice President, Secretary and Treasurer, from among the Board, to be announced at the Annual Meeting of Members. Those officers shall constitute the Executive Board for the ensuing year.

ARTICLE VIII MEETINGS

Section 1: Annual Meeting of Members:

- A. The Annual Meeting of Members shall be held at the designated place and time on the fourth (4th) Thursday in February, unless postponed or rescheduled pursuant to Article VII, Section 1(F).
- B. The Members of this Corporation shall be given notice of the Annual Meeting of Members by a notice published on the Corporation's website not more than (30) days nor less than (10) days prior to the meeting.
- C. Thirty-Five (35) members (including available Board Members) must be present to constitute a quorum for purpose of conducting business at the Annual Membership Meeting.
- D. Annual elections results will be announced to the members.
- E. Announcement will be made of the newly elected Executive Officers.
- F. Postponement and rescheduling of the Annual Meeting of Members must be done by giving members a minimum of three (3) days advanced notice published on the Corporation's website.

Section 2: Monthly Board Meeting:

- A. The Monthly Board Meeting shall be held on the second (2nd) Tuesday of each month, unless the meeting is canceled, postponed, or rescheduled.
- B. Members of this Corporation will be given notice of the Monthly Board Meeting by a notice printed on the bill, or at the Corporation's option, by an advertisement published on the Corporation's website.

- C. Four (4) Board Members (including at least two Executive Officers) must be present to constitute a quorum.
- D. Cancellation, postponement, or rescheduling of the Monthly Board Meeting must be done by giving members not less than three (3) days advance notice published on the Corporation's website.
- E. Members are entitled to submit business for consideration at the Monthly Board Meeting. To appear on the agenda of the Monthly Board Meeting, a member must give at least five (5) days notice at this Corporation's main office in Pace.

Section 3: Special Board Meeting:

- A. Special meeting of the Board of Directors may be called as needed. A minimum of three (3) days notice shall be given each member by publication on the Corporation's website. The senior office holder present at any Special Board Meeting shall insure the minutes reflect the efforts made to inform each Board Member of the Special Board Meeting. To transact any business at the Special Meeting requires the presence of at least four (4) Board Members two of whom must be officers.
- B. Any action taken by the Board between Monthly Board Meetings shall be ratified at the next Monthly Board Meeting.

Section 4: Special Meeting of Members:

- A. Special Meeting of Members shall be held at this Corporations' office in Pace or at a place designated by the Board of Directors.
- B. Special Meeting of Members shall be called when a petition signed by at least ten percent (10%) of the members is received by the Secretary. A meeting must be called within thirty (30) days of receiving a petition.
- C. Thirty-Five (35) members (which can include Board Members) must be present to constitute a quorum.
- D. The members of this Corporation shall be given notice of a Special Meeting through a notice published on the Corporation's website at least ten (10) days in advance of the Special Meeting. The topic shall be clearly stated and will be the only topic discussed.

ARTICLE IX
ORDER OF BUSINESS

Section 1: Robert's Rules of Order shall be the parliamentary procedure used at all meetings.

Section 2: Annual Meeting of Members:

- a. Call meeting to order.
- b. Verify quorum and announce.
- c. Approve minutes of previous meeting.
- d. Election results.
- e. Announcement of Executive officers.
- f. Annual reports.
- g. Unfinished business.
- h. New Business.
- i. Adjournment.

Section 3: Monthly Board Meetings:

- a. Call meeting to order.
- b. Approve minutes of previous meeting.
- c. Ratification of action taken since prior meeting.
- d. Unfinished business.
- e. New Business.
- f. Adjournment.

Section 4: Special Meetings:

- a. Call meeting to Order.
- b. Verify quorum and announce.
- c. Stated business.
- d. Adjournment.

ARTICLE X
DIRECTORS

Section 1: The Board of Directors of this Corporation shall consist of six (6) elected members as outlined in Articles VII – “Elections”.

Section 2: In the event of a vacancy on the Board of Directors, at the next Monthly Board Meeting, the remaining Directors shall appoint a successor from the same District to complete the remaining term.

Section 3: Directors and Officers may be removed from office as follows:

- A. Removal of a Director by the Board: Written legitimate charges presented at a Special Meeting of the Board called by the Board of Directors. The Board of Directors shall vote whether or not to proceed with removal action. A majority vote decides. A Special Meeting of the Members shall be called as outlined in Article VIII, Section 3 of the Bylaws (Special Meeting of the Members).
- B. Removal of a Director(s) by the Members: A petition signed by at least ten percent (10%) of the members and fulfilling the requirements in Article VIII, Section 4, Paragraph “B” of

the Bylaws. Separate petitions must be filed for each Director. Upon verification of the signatures by the Corporation's Secretary, the President shall call a Special Meeting of the Members as provided in Article VIII, Section 4. A majority vote of the members present will decide.

- C. If a Director of the Board is absent from three (3) consecutive scheduled regular Monthly Board Meetings without an acceptable reason, he/she shall be removed. The Board, by a majority vote, shall determine the justification of the absence.
 - D. A Director of the Board who moves out of the District for which the Director was elected shall be removed.
 - E. A Director of the Board who is indicted for a felony or has ever been convicted of a felony shall be removed.
- Section 4: The Director against whom such legitimate charges have been presented shall receive written notice at least fifteen (15) days prior to the Special Meeting.
- Section 5: If the removal of a Director is successful, Article X, Section 2 will apply to appoint a successor.

ARTICLE XI DUTIES OF THE BOARD

- Section 1: The Board of Directors shall be subject to and exercise all duties as required by local, state, and federal laws and regulations and this Corporation's Articles of Incorporation and these Bylaws. The Board of Directors shall have power and authority to exercise the following:
- A. Approve the number of employees, including managers and supervisors, to assure continuous business operation and control.
 - B. Approve professional services recommended by the Manager and/or a committee.
 - C. Set all fees, rates and charges as deemed appropriate.
 - D. To borrow money, goods and/or services, issue notes and other negotiable and transferable instruments, mortgages, and deed of trust, and trust agreements to effectuate the smooth running of this Corporation.
 - E. Ensure that all monies are deposited in a financial institution and ensure that said monies are properly insured or protected by an agency of the United States of America, such as F.D.I.C. Monies in each financial institution selected, shall not exceed the insured dollar amount.
 - F. Approve the next year's budget at the December Monthly Board Meeting.

- G. Require that all officers, managers, supervisors, and any other employee having financial duties be bonded. Bonding shall be an expense of the Corporation.
- H. Order an audit of this Corporation by a Certified Public Accountant. Audit to be yearly or as deemed necessary by the Board of Directors.
- I. Approve necessary expansions and improvements that may be proposed to fulfill this Corporation's obligation to its members.
- J. Allocate utility services and resources of the Corporation as deemed necessary.
- K. Appoint such committees as may be deemed necessary for the efficient operation of this Corporation.
- L. Approve and/or change written standard Rules and Regulations governing the administration and operation of this Corporation.

ARTICLE XII
DUTIES OF OFFICERS

Section 1: The Executive Board shall ensure compliance of the Bylaws.

Section 2: Duties of President. The President shall:

- A. Preside over meetings of this Corporation as listed in Article VIII of these Bylaws. In the event he/she is unable to attend, the Vice-President shall preside. If both the President and the Vice-President are absent, the Secretary shall preside.
- B. Ensure that the order of business of all meetings shall be as outlined in Article IX.
- C. Chair the meeting as prescribed in Robert's Rules of Order.
- D. Appoint a Parliamentarian, if necessary, to assist with the orderly conduct of meetings.
- E. Not vote on a motion except in the case of a draw in which case the President shall have the tie-breaking vote.
- F. Recommend the formation of various committees and appoint chairpersons for those committees.
- G. Sign such papers and documents of this Corporation as he/she may be authorized and directed to sign by the Board of Directors.
- H. Perform such other duties as may be authorized by the Board of Directors and Standard Rules and Regulations.
- I. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in her/her possession.

Section 3: Duties of the Vice-President. The Vice-President shall:

- A. Perform the duties normally carried out by the President in his/her absence.
- B. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in his/her possession.

Section 4: Duties of the Secretary. The Secretary shall:

- A. Be responsible for maintaining permanent record books in which the Articles of Incorporation, Bylaws, Special Rules of Order, Standing Rules and Amendments to such are properly recorded.
- B. Sign such documents as may be required by the Board of Directors.
- C. Be responsible for the corporate seal, records of this Corporation and affix the seal to all documents requiring such.
- D. Be responsible for all reports required by law and such duties as may be required by the Board of Directors.
- E. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in his/her possession.

Section 5: Duties of the Treasurer. The Treasurer shall:

- A. Have general charge and supervision of the financial books and records of this Corporation.
- B. Sign such documents as may be required by the Board of Directors.
- C. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in his/her possession.

ARTICLE XIII RESPONSIBILITIES

Section 1: This Corporation shall install, maintain and operate utility services to the property line of each member of this Corporation, subject to the service being available, economically feasible, and in the best interest of Corporation. The Corporation reserves the right to not connect to subdivision infrastructure until the Corporation's approval of the infrastructure, receipt of title to the infrastructure, access and easements to same, and such other requirements as determined by the Corporation.

Section 2: Each member shall be responsible for installing and maintaining associated facilities to receive this Corporation's services on her/her property.

ARTICLE XIV
DISTRIBUTION OF SURPLUS FUNDS

Any net earnings available at the end of the fiscal year shall be accumulated in a surplus fund to be used for expanding, replacing, and upgrading of services or such other purposes to be determined by the Board of Directors.

ARTICLE XV
AMENDMENTS

Section 1. Amendments to the Bylaws of the Corporation may be made as follows:

- A. The Board of Directors shall adopt a resolution setting forth the proposed amendment(s), directing that the resolution be submitted to a vote at an Annual Meeting of the Members or at a Special Meeting of Members called for that purpose.
- B. Notice of the proposed amendment(s) or a summary of the proposed amendment(s) to the Bylaws shall be given to each member entitled to vote thereon. This notice requirement shall be satisfied by publication on the Corporation's website at least ten (10) days prior to the meeting.
- C. The proposed amendment(s) to the Bylaws shall be adopted upon receiving the affirmative vote of the members who attend such meeting.

Section 2: The members shall not have the power to change the purpose of this Corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirements of bond or other provision for the safety and security of the property and funds of this Corporation or its members.

THESE BYLAWS WILL REPLACE ALL PREVIOUS BYLAWS AND AMENDMENTS



President




Vice President




Secretary



Treasurer



Board Member



Board Member

