

**BY-LAWS
OF
INLET BEACH WATER SYSTEM, INC.**

ARTICLE I
Name and Seal

Section 1: The name of this Corporation is Inlet Beach Water System, Inc. (the "Corporation") and the principal office of this Corporation shall be located in Walton County, Florida at Inlet Beach, but the Corporation may maintain offices and places of business at such other places within the state as the Board of Directors may determine.

Section 2: The corporate seal shall have inscribed thereon the name of the Corporation and the year of its organization, and shall contain the words, "Corporation Not For Profit." The Secretary of the Corporation shall have custody of the seal and the seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or reproduced.

ARTICLE II
Non-profit Purposes

This Corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)12 of the Internal Revenue Code. This implies the following conditions: eighty-five percent (85%) of income must be collected from members for the sole purpose of meeting operating expenses and capital reserves for the future water and sewer system maintenance; the organization must be organized and operated on a mutual or cooperative basis; and members must have the right to choose the management, to receive services substantially at cost, and to share in any assets upon dissolution.

ARTICLE III
Membership and Membership Certificates

Section 1: The holders of membership certificates of this Corporation are its members.

Section 2: Each connection for the services rendered by the Corporation shall entitle the subscriber to one membership certificate for such connection. The membership certificates shall be issued to each holder of a fully paid membership and shall be numbered consecutively in accordance with the order of issue.

Section 3: All transfers of membership certificates shall be made upon the books of the Corporation upon surrender of the certificates covering the same by the holders thereof or by their legal representatives but only with the approval of the Board of Directors and only to persons eligible to become members and only when the transferring member is free from indebtedness to the Corporation.

Section 4: Each member agrees to sign such Water User Agreements as the Corporation shall from time to time provide and require. Each member agrees to be governed by the Rules and Regulations of the Corporation as may be prescribed by the Board of Directors.

Section 5: At any meeting of the members of the Corporation, each member shall be entitled to one vote only, regardless of the number of certificates of membership held, provided the member is in good standing for all certificates held. All members shall be entitled to vote at any meeting of the members.

ARTICLE IV Membership Meetings

Section 1: The annual meeting of the Corporation shall be held at Inlet Beach on the third Saturday of August of each year, unless the directors set another date for such meeting not more than sixty (60) days later than the third Saturday of August.

Section 2: Special meetings of the Corporation may be called whenever the President or the directors deem it advisable.

Section 3: The presence of at least fifteen (15) members, including members present via power of attorney, in good standing at any meeting of the members shall constitute a quorum at any meeting of the Corporation for the transaction of business. There shall be no voting by proxy. By issuing a power of attorney, a member may transfer his/her voting right to another member as provided by Florida law.

Section 4: Notice of an annual meeting shall be mailed to every member's last known post office address not less than thirty (30) days prior to such meeting, and for special meetings not less than five (5) days notice so mailed shall be given. Such notice shall state the time and place of such meeting. No notice shall be required for either annual or special meetings when a majority of the members waive notice.

Section 5: A special meeting of the Corporation must be called by the President or Board of Directors whenever a petition requesting such meeting is signed by at least ten (10) percent of the members and presented to the Secretary of the Corporation.

Section 6: The President, or in his/her absence, the Vice-President, or any director selected by the attending members, shall call all meetings of the membership to order, and shall act as chairman of such meetings. The Secretary of the Corporation shall act as Secretary of all meetings of the membership, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting. The presiding officer shall appoint two (2) members to act with the Secretary as tellers or inspectors of election when the same are required.

ARTICLE V
Directors

Section 1: The Board of Directors of this Corporation shall consist of five (5) members. 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. One (1) director shall be elected for a term of one (1) year; two (2) directors for a term of two (2) years; and two (2) directors for a term of three (3) years. At each annual meeting thereafter, the members shall elect for a term of three (3) years the number of directors whose terms of office have expired.

Section 2: The Board shall meet within thirty (30) days after the annual election of directors and shall elect a President and Vice-President from among themselves. A Secretary and Treasurer shall also be elected who needs not be a member of the Corporation. The General Manager may also be elected as a Vice-President but shall not be a member of the Board. The offices of Secretary and Treasurer may be combined into one position as Secretary/Treasurer. Each of whom shall hold office until the next annual meeting and until the election and qualification of his/her successor unless sooner removed by death, resignation or for cause.

Section 3: If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors, though less than a quorum shall, by a majority vote, choose a successor who shall hold office until the next regular annual meeting of the members of the Corporation at which time the members shall elect a director for the unexpired term or terms, provided that in the call of such regular meeting a notice of such election shall be given.

Section 4: A majority of directors shall constitute a quorum at any meeting of the Board.

Section 5: Directors shall receive no compensation for their services as such.

Section 6: Directors may be removed from office for good cause in the following manner: Any member or director may present charges against a director by filing in writing with the Secretary of the Corporation. If presented by a member, the charges must be accompanied by a petition signed by ten (10) percent of the members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the members present. The director against whom such charges have been presented shall be informed, in writing, of such charges five (5) days prior to the meeting; the person or persons presenting such charges shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses and the person against whom the charges are made shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the Corporation. A vacancy in any office thus created shall be filled by the directors from among their number so constituted after the vacancy in the Board has been filled.

Section 7: The Board shall be responsible for filing, as required by statute, annual reports with the office of the Secretary of State.

Section 8: The Board shall be responsible for conducting an annual review of the Rules and Regulations of the Corporation and making changes as deemed necessary.

Section 9: The Board shall be responsible for ordering an annual audit of the books and accounts of the Corporation by a competent, independent auditor. The Board shall submit such audit to the members of the Corporation at their annual meeting together with a proposed budget for the ensuing year.

Article VI
Meetings of Directors

Section 1: The directors of this Corporation may hold all or any of their meetings, and may have an office and keep such books and records of this Corporation as may be necessary for their conduct of its business and affairs, at the principal office of this Corporation in the County of Walton, State of Florida, or in such other place or places as the board shall designate.

Section 2: Quarterly meetings of the Board of Directors shall be held at such times and places as the Board of Directors may fix from time to time. Meetings may be waived by a majority vote of the Board of Directors.

Section 3: Special meetings of the Board of Directors may be called at any time by at least two (2) members of the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted except such as is specified in the notice.

ARTICLE VII
Officers

Section 1: The officers of the Corporation to be elected by the directors shall be elected annually at the first meeting of the directors held after each annual meeting of the members. Each officer shall hold office until his/her successor has qualified and been duly elected or until his/her death or until he/she resigns or has been removed as hereinafter provided.

Section 2: Any officer elected or appointed by the directors may be removed by the directors whenever in their judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

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

ARTICLE VIII
Duties of Officers

Section 1: The President shall be the principal executive officer of the Corporation and, subject to the control of the directors, shall in general supervise and control all of the business

and affairs of the Corporation. He/she shall, when present, preside at all meetings of the members and of the directors. He/she may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the directors, certificates of membership of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by the by-laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the directors from time to time.

Section 2: In the absence of the President or in the event of his/her death, 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 the directors.

Section 3: The Secretary shall keep the minutes of member and director meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of the by-laws or as required, be custodian of records of the Corporation and of any seal of the Corporation and keep a register of the post office address and electronic mail address of each member which shall be furnished to the Secretary by such member, have general charge of the certificate of membership books of the Corporation and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the directors.

Section 4: The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation. This responsibility shall be delegable and shall include, but not be limited to, the following: keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the by-laws; render to the Board of Directors, whenever the Board of Directors may require, an account of the financial condition of the Corporation and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the directors.

ARTICLE IX Amendments

Section 1: These by-laws, or any part of the same may be amended, abridged, altered, added to, or repealed by a vote of a majority of the voting membership of this Corporation and not otherwise, at any regular or special meeting thereof and in the manner prescribed by the laws of the State of Florida relative thereto. The members shall not have the power to change the purposes of the Corporation 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 Corporation or its members.

Section 2: Whenever any amendment or new by-law is adopted, it shall be copied in this record or book of by-laws with the original by-laws, and shall take effect as prescribed in the corporate resolution.

Section 3: If any by-law be repealed, the fact of the repeal and date of the meeting at which the repeal was enacted, or written consent was filed, shall be stated in this record or book of by-laws with the original by-laws, and shall take effect as prescribed in the Corporation resolution.

The above BY-LAWS are hereby adopted and approved by the members of the Corporation at the annual meeting on this 7th day of November, 2020.

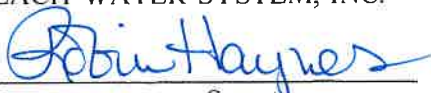
AMENDMENT TO
BY-LAWS OF INLET BEACH WATER SYSTEM, INC.

The following Amendment to Article V, Section 2, of the By-Laws of Inlet Beach Water System, Inc. (the "Corporation") was duly approved and adopted by the general membership of the Corporation at the annual members meeting held on November 7, 2020, and Article V, Section 2, of the Corporation's By-Laws shall heretofore read as follows:

ARTICLE V
Directors

Section 2: The Board shall meet within thirty (30) days after the annual election of directors and shall elect a President and Vice-President from among themselves. A Secretary and Treasurer shall also be elected who needs not be a member of the Corporation. The General Manager may also be elected as a Vice-President but shall not be a member of the Board. The offices of Secretary and Treasurer may be combined into one position as Secretary/Treasurer. Each of whom shall hold office until the next annual meeting and until the election and qualification of his/her successor unless sooner removed by death, resignation or for cause.

INLET BEACH WATER SYSTEM, INC.

By: 
Secretary

AMENDMENT TO
BY-LAWS OF INLET BEACH WATER SYSTEM, INC.


The Board of Directors of Inlet Beach Water System, Inc. (the "Corporation") recommends that the members approve and adopt the following Amendment to Article V, Section 2 of the Corporation's By-Laws at the members' annual meeting on 11/07/2020:

ARTICLE V
Directors

Section 2: The Board shall meet within thirty (30) days after the annual election of directors and shall elect a President and Vice-President from among themselves. A Secretary and Treasurer shall also be elected who needs not be a member of the Corporation. The General Manager may also be elected as a Vice-President but shall not be a member of the Board. The offices of Secretary and Treasurer may be combined into one position as Secretary/Treasurer. Each of whom shall hold office until the next annual meeting and until the election and qualification of his/her successor unless sooner removed by death, resignation or for cause.

INLET BEACH WATER SYSTEM, INC.

By: _____



President of the Board of Directors