

BY-LAWS

OF

BONITA SPRINGS UTILITIES, INC.

Last Revised August 7, 2018

ARTICLE I

GENERAL PURPOSES

The purposes for which this Corporation is formed, and the powers which it may exercise are set forth in the Charter of the Corporation.

ARTICLE II

NAME AND LOCATION

SECTION 1: The name of this Corporation is BONITA SPRINGS UTILITIES, INC.

SECTION 2: The principal office of this Corporation shall be located in Bonita Springs, Florida, but the Corporation may maintain offices and places of business at such other places within the State as the Board of Directors may determine.

ARTICLE III

SEAL

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

SECTION 2: The Secretary of the Corporation shall have custody of the seal.

SECTION 3: The seal may be used by causing it or a facsimile thereof to be impressed or reproduced or otherwise affixed to a document.

ARTICLE IV

FISCAL YEAR

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

ARTICLE V

MEMBERSHIP

SECTION 1: It is the intent of the Corporation to provide service solely to its members. The holders of membership accounts with this Corporation are its members. Any person, as defined by

Florida law, having reasonable access to the sources of and who is in need of water, sewer, or other services operated by the Corporation, and who receives the approval of the Board of Directors, may be admitted to membership upon subscribing for or otherwise acquiring a membership account, and by signing such agreements for service as may be provided or required by the Corporation; provided that no person otherwise eligible shall be permitted to subscribe for or acquire a membership account with the Corporation if the capacity of the Corporation's water and/or sewer system is exhausted by the needs of its existing members.

Service is first provided to a parcel of land based on proper application by the owner and admission to membership in the Corporation. Thereafter, persons not holding a direct ownership interest in the property including, but not limited to, tenants, lessees, sub-lessees, stockholders, members, parent or subsidiary companies, limited partners, future interest not yet possessory, and others who receive service as a result of the owner's membership status, cannot also be considered members unless the person occupies an individually metered premises, and accepts responsibility for service and payment obligations, in which case they shall be substituted as member for the period of occupancy. There shall be no membership fee as such, provided that the Corporation may charge initial connection and other fees upon the issuance or acquisition of each membership account.

SECTION 2: Each connection for the services rendered by the Corporation shall entitle the subscriber for such connection to one membership account, subject to Section 1 of this Article.

SECTION 3: At any meeting of the members of the Corporation, each member shall be entitled to only one vote upon each matter submitted to a vote, regardless of the number of membership accounts held in the name of the member, provided the member is in good standing for accounts.

SECTION 4: In case of the death of a member, or if a member ceases to be eligible for membership, or a member willfully fails to comply with the By-Laws, or rules and regulations of the Corporation, membership may be terminated. A transfer by a member of all membership accounts in the name of such member shall terminate such member's membership. Any member whose membership is terminated for cause, other than ceasing to be eligible, may appeal the action to the Board of Directors at their next regular or special meeting. Thereafter, such member shall be reinstated only as the Board of Directors may deem necessary or appropriate. Termination of such membership shall result in a disconnection of water and sewer service to the member. Termination shall not result in forfeiture of a member's entitlement to any patronage refund resulting from status as a member pursuant to Article XII of these By-Laws. However, any such refund shall have deducted from it any debt or obligation owed the Corporation by the member.

ARTICLE VI

MEMBERSHIP RIGHTS

SECTION 1: This Corporation shall not have capital stock, but membership shall mean having membership rights in the Corporation as evidenced by a membership account as provided herein.

SECTION 2: A membership account shall be assigned to each member for all service connections to such member. The Corporation no longer issues Membership Certificates and all previously issued Certificates shall be considered membership accounts. Each membership account shall certify membership in the Company and entitlement to its services at the designated address, subject to the provisions of the Charter, By-Laws, and rules and regulations of the Corporation. Membership is extended and accepted in accordance with and subject to the conditions and restrictions stipulated in the Charter, By-Laws, of the Corporation, and amendments to the same heretofore or hereafter made. No member of this Corporation shall be entitled to more than one vote at meetings of the members, regardless of the type of service or number of membership accounts held.

SECTION 3: All transfers of membership accounts shall be made upon the books of the Corporation and only to persons eligible to become members and only when the transferring member is free from indebtedness to the Corporation.

ARTICLE VII

MEETINGS OF MEMBERS

SECTION 1: The Annual Meeting of the members of this Corporation shall be held at the office of Bonita Springs Utilities, Inc. at Bonita Springs, Florida on the third Tuesday of March of each year, if not a legal holiday, or if a legal holiday, on the next business day following. The place and time of the Annual Meeting may be changed by the Board of Directors giving notice thereof to each member not less than ten (10) days in advance thereof.

SECTION 2: Special meetings of the members may be called at any time by the action of the Board of Directors and such meeting must be called by the President whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the President or to 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.

SECTION 3: Notice of any special meeting of members of the Corporation may be given by a notice mailed to each member of record, directed to the address shown upon the books of the Corporation, not less than ten nor more than fifty days prior to the meeting. Such a notice shall state the day and hour, place and purpose of the special meeting. No notice of the annual meeting shall be required.

SECTION 4: Each member shall have only one vote upon each matter submitted to a vote at a meeting of the members and the vote of each member shall be equal to that of every other member. Voting by proxy shall be permitted. The annual membership meeting shall require that not less than twenty members of the Corporation must be present in person to constitute a quorum for the transaction of any business. Any reference to member voting in these By-Laws shall require notice to members (although no notice of the annual meeting shall be required) with a vote by mail providing an opportunity for all members in good standing to cast a ballot or vote. With the exception of the election of directors, a majority of the votes cast shall decide a matter.

SECTION 5: Directors of this Corporation shall be elected at the annual meeting of the members provided that election procedures shall require all ballots to be returned and counted prior to the annual meeting so that the outcome of the election shall be announced at the annual meeting. No cumulative voting shall be allowed. In the event the number of qualifying candidates does not exceed the number of seats available, and provided each available seat is of equal duration of term; then, upon expiration of the candidate qualification period, the Board of Directors may declare the candidates as elected at the annual meeting without the expense of an election by the members.

SECTION 6: The order of business at the regular meetings and, so far as possible at all other meetings, shall be:

1. Calling to order and report of Secretary as to number.
2. Proof of notice of meeting, if required.
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 VIII

Directors and Officers

SECTION 1: The Board of Directors of this Corporation shall consist of nine members. At each annual meeting the members of the Corporation, pursuant to the election process provided in Article VII, Section 5, shall elect for a term of three years the number of directors whose terms of office have expired. No person shall be eligible to become or remain a Director of the Corporation who:

- (a) is not a member of and resident in the area served by the Corporation;
- (b) is a relative of a Director. "Relative" here shall mean an individual who is related to another Director as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister. Directors who are relatives, as defined herein, at the time this By-Law is enacted, shall be entitled to remain in office for the balance of their terms.

In the event two or more relatives are simultaneously elected to the Board, all relatives, with the exception of the individual receiving the largest number of votes shall be disqualified from the election and the seat vacated by the disqualification shall be awarded to the non-relative with the next largest number of votes.

SECTION 2: Following the annual election of directors, the Board of Directors shall meet on or before the next regularly scheduled Board meeting and shall elect a President and Vice-President from among themselves and a Secretary and a Treasurer, who need not be members of the Board of Directors, each of whom shall hold office until the next annual meeting and election and qualification of his 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, 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 meeting of the members of the Corporation at which time the members shall elect a director for the unexpired term, provided that in the call of such regular meeting a notice of such election shall be given.

SECTION 4: A majority of the Board of Directors shall constitute a quorum at any meeting of the Board. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board unless the Articles of Incorporation or By-Laws require the vote of a greater number of directors.

SECTION 5: Compensation of officers and directors may be fixed at any regular or special meeting of the Board of Directors.

SECTION 6: Officers and directors may be removed from office for good cause in the following manner: Any member, officer or director may present charges against a director or officer by filing them in writing with the Secretary of the Corporation. If presented by a member, the charges must be accompanied by a petition signed by ten 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 or officer against whom such charges have been presented shall be informed, in writing, of such charges five 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 by a majority vote of the members voting on the matter, 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.

SECTION 7: Subject to special circumstances as determined and approved by the Board of Directors in its sole discretion (and as more particularly provided by the remainder of this section), no director may miss more than twenty-five percent (25%) of the regular and special meetings of the Board of Directors that have occurred over the course of the twelve (12) month period immediately preceding the date that the calculation of missed regular and special meetings is made (the "Twenty-Five Percent (25%) Threshold"). In addition, for purposes of this section, if any director arrives for any regular or special meeting more than fifteen (15) minutes after such regular or special meeting is called to order, such meeting shall be treated as a missed meeting by such director. The percentage of missed meetings as calculated and determined by the preceding sentences shall be defined for purposes of this section, as the "Absentee Meeting Percentage." Any director's Absentee Meeting Percentage may be calculated and determined by the Board of Directors at any regular or special

meeting of the Board of Directors. Any such calculation and determination by the Board of Directors of any director's Absentee Meeting Percentage shall be binding upon such director.

In the event that any director's Absentee Meeting Percentage exceeds the Twenty-Five Percent (25%) Threshold, as calculated and determined by the Board of Directors under this section, then, upon a vote of the majority of the remaining directors (even if less than a quorum), such director whose Absentee Meeting Percentage has exceeded the Twenty-Five Percent (25%) Threshold (the "Absentee Director") shall be immediately removed from the office of director. The vacancy created by such removal of the Absentee Director shall be filled by a successor as selected and determined by the vote of the majority of the remaining directors (even if less than a quorum), which successor shall hold office until the next regular meeting of the members of the Corporation at which time the members shall elect a director for the unexpired term of the removed Absentee Director, provided that in the call of such member meeting a notice of such election shall be given.

In addition, and without limitation, in the event that a director has missed four (4) successive meetings of such director's current term as a director, such director shall be deemed and considered an Absentee Director for all purposes of this section, even though the twelve-month calculation period provided above shall not have expired, and the Absentee Director shall be subject to removal procedures and rules provided by the foregoing paragraph of this section.

Notwithstanding the foregoing provisions of this section, in the event any member of the Board of Directors either: (a) anticipates that such director will need to be absent from an upcoming special or regular meeting of the Board of Directors on account of special circumstances (the "Absent Director"); (b) has failed to attend a special or regular meeting (also referred to as the "Absent Director"); or (c) has arrived at a regular or special meeting more than fifteen (15) minutes after such regular or special meeting has been called to order (also referred to as the "Absent Director"), and believes that special circumstances warranted the Absent Director's failure to attend the missed meeting or warranted arriving at such a regular or special meeting more than fifteen (15) minutes after such regular or special meeting was called to order ("Late Attendance"), then any such Absent Director may furnish a written explanation to the Board of Directors (with any supporting documentation the Absent Director deems appropriate to provide) of the Absent Director's: (a) desire to be excused from the applicable, upcoming special or regular meeting of the Board of Directors (as applicable); (b) the desire to be excused from having failed to attend a special or regular meeting of the Board of Directors after such special or regular meeting's occurrence; or (c) the desire to be excused for a Late Attendance. The written explanation must be received by the Board of Directors prior to the regular meeting scheduled immediately after the missed or Late Attendance meeting in order to be considered by the Board of Directors. In the event an Absent Director either: (a) requests to be excused from an upcoming special or regular meeting, (b) has failed to attend a meeting and requests an excused absence after the occurrence of such missed meeting, or (c) desires to be excused for a Late Attendance, the Board of Directors shall consider the reason(s) for such Absent Director's absence from the missed meeting, or Late Attendance at a meeting, at the regular or special meeting immediately following the meeting that the Absent Director has missed or attended late. In either event, if, by a majority vote of the Board of Directors, the Board determines that the Absent Director has demonstrated special circumstances, then such missed or Late Attendance meeting shall not count or be considered a missed meeting, but instead shall be treated and counted as a meeting with respect

to which the Absent Director was in full attendance, for purposes of the Absentee Meeting Percentage defined above.

Meetings of the Board of Directors must be attended in person; provided however, that a Board member may attend not more than two (2) Board meetings over the course of a rolling twelve (12) month period by means of communication by which all Directors participating may simultaneously hear each other during the meeting (“Remote Attendance”). A Director participating by means of Remote Attendance is deemed present. A Director may not participate in the Annual Meeting by Remote Attendance.

SECTION 8: Every Director, Officer, the Executive Director and the Department Directors of the Company shall be indemnified by the Company to the full extent permitted by law against all expenses and liabilities, including attorney's fees reasonably incurred by or imposed upon him/her, in connection with any proceedings or any settlement thereof, regardless of whether the acts leading to such proceedings occurred before or after the date of adoption of this by-law, to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a Director or Officer at the time such expenses are incurred, except in such cases where the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties; provided, that all settlements must be approved by the Board of Directors as being in the best interests of the Corporation.

SECTION 9: No Director, Officer or employee of the Corporation to whom authority to employ, promote or advance individuals has been delegated, shall employ, promote or advance, in or to a position in the Corporation, any individual who is a relative (as defined in Article VIII, Section 1 herein) of the Officer, Director or employee.

SECTION 10: A director is not personally liable for monetary damages to the Corporation or any other person for any statement, vote, decision, or failure to act, regarding corporate management or policy, by a director, unless: (a) The director breached or failed to perform his or her duties as a director; and, (b) The director's breach of, or failure to perform, those duties constitutes: 1. A violation of the criminal law, unless the director had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful; 2. A transaction from which the director derived an improper personal benefit, either directly or indirectly; 3. In a proceeding by or in the right of the Corporation to procure a judgment in its favor, conscious disregard for the best interest of the Corporation, or willful misconduct; or 4. In a proceeding by or in the right of someone other than the Corporation, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

ARTICLE IX

DUTIES OF DIRECTORS

SECTION 1: The Board of Directors subject to restrictions of law, the Articles of Incorporation as amended, or these By-Laws, shall exercise all of the powers of the Corporation, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full power and authority (to be exercised by resolution duly adopted by the Board) in respect to the matters and as herein after set forth:

- A. To pass upon the qualifications of members and membership in the Corporation.
- B. To select and appoint all officers, agents, or employees of the Corporation or remove such agents or employees of the Corporation 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 or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deed 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 be deemed necessary, or convenient for the conduct of the business and affairs of the Corporation and the guidance and control of its officers and employees, and to prescribe penalties for the breach thereof.
- E. To order, at least once each year, an audit of the books and accounts of the Corporation by a competent certified public accountant. The report prepared by such accountant shall be made available to the members of the Corporation. Copies of such audits shall be submitted to any parties as may be required by other agreements.
- F. To fix the charges, rates and connection fees, to be paid by each member for services rendered by the Corporation 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 Corporation to give adequate bonds the cost thereof to be paid by the Corporation, or otherwise secure commercially reasonable insurance for risks associated with the custody of funds, and it shall be mandatory upon the directors to so require.
- H. To select one or more bank, savings and loan association or financial institution, to act as depositories of the funds of the Corporation and to determine the manner of receiving, depositing, divesting and disbursing the funds of the Corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks or savings and loan associations and the person or persons signing such checks and the form thereof at will, except that no bank, savings and loan association or other financial institution may be so designated unless such deposits and investments are protected by an agency of the United States of America, such as the Federal Deposit Insurance Corporation or similar agency, or is in compliance with the Company's Board approved Investment Policy, as may be amended from time to time.

I. With the approval of the majority of the members casting a vote pursuant to any regular or special meeting, to levy assessments against the membership accounts of the Corporation and to enforce the collection of such assessments by the termination of delinquent membership accounts. The Board of Directors shall have the option to terminate any membership account on which assessment was due, provided that the Corporation must give the member at least thirty days written notice at the address of the member on the books of the Corporation, of its intention to terminate the account if the assessment is not paid.

ARTICLE X

DUTIES OF OFFICERS

SECTION 1: Duties of President: The President shall preside over all meetings of the Corporation and the Board of Directors, call special meetings of the members and of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all papers of the Corporation as he may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the Corporation. The President shall perform such other duties as may be prescribed by the Board of Directors.

SECTION 2: Duties of the Vice-President: In the absence or disability of the President, the Vice-President shall perform the duties of the President, provided however, that in case of death resignation or disability of the President, the Board of Directors may declare the office of President vacant and elect a successor.

SECTION 3: Duties of the Secretary: The Secretary shall keep a complete record of all meetings of the Corporation and of the Board of Directors and shall have general charge and supervision of the books and records of the Corporation. He shall sign with the President all papers pertaining to the Corporation 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 this office to the members at the annual meeting. He shall keep the corporate seal and affix said corporate seal to all papers requiring seal. He shall keep proper membership records, showing the name of each member of the Corporation, address and date of admission and termination. He shall make all reports required by law and shall perform such other duties as may be required of him by the Corporation or the Board of Directors. Upon the election of his successor, the Secretary shall turn over to him all books and other property belonging to the Corporation that he may have in his possession.

SECTION 4: Duties of the Treasurer: He shall perform such duties with respect to the finances of the Corporation as may be prescribed by the Board of Directors.

ARTICLE XI

BENEFITS AND DUTIES OF MEMBERS

SECTION 1: The Corporation will install, maintain and operate a main distribution pipe line or lines from the source of water supply and service lines from the main distribution pipe line or lines to the property line of each member qualifying for water service from the Corporation for each account in the name of such member, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the Corporation shall be placed. The Corporation will further install, maintain and operate a wastewater transmission system and appurtenant facilities to its treatment plant from the property line of each member qualifying for wastewater service from the Corporation for each account in the name of such member.

SECTION 2: Each member shall be entitled to purchase from the Corporation, pursuant to such agreements as may from time to time be provided and required by the Corporation, such water for domestic, commercial, agricultural, industrial or other purposes as a member may desire, subject, however, to the provisions of the By-Laws, the Corporation's tariffs, and to such rules and regulations as may be prescribed by the Board of Directors. Each member shall be entitled to have delivered to him through a single service line for each membership account in the name of the member, only such water as may be necessary to supply the needs of such member, including his family, business, agricultural, or industrial requirements. The water delivered through each service line shall be metered and the charges for such water shall be determined separately, irrespective of the number of service lines owned by a member.

SECTION 3: In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the Corporation may pro-rate 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 the use of water for commercial, agricultural or industrial purposes by particular members 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 members for domestic, livestock, commercial, agricultural, or industrial purposes, the Corporation must first satisfy 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 domestic and livestock purposes before supplying any water for commercial and industrial purposes.

SECTION 4: The Corporation may install, buy, maintain, supervise, and operate one or more sewer plants to provide wastewater service within the Company's franchise area. Each member shall be entitled to purchase sewer service from the Corporation, pursuant to such agreements as may from time to time be provided and required by the Corporation; subject, however, to availability, proximity to sewer facilities, the provisions of these By-Laws and such Rules and Regulations as may be prescribed by the Board of Directors. Each member receiving sewer service shall be entitled to the same benefits as members receiving water service, including credit for capital furnished through patronage of the sewer system.

ARTICLE XII

NOT-FOR-PROFIT CORPORATION

SECTION 1: The Corporation shall at all times be operated on a cooperative not-for-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its members.

SECTION 2: In the furnishing of water, sewer, and other services, the Corporation's operations shall be so conducted that all members will through their patronage, furnish capital for the Corporation. In order to induce patronage, and to assure that the Corporation will operate on a not-for-profit basis, the Corporation is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of water, sewer, or other services in excess of operating costs and expenses properly chargeable against the furnishing of such services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the members as capital.

The Corporation is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Corporation shall be set up and kept in such a manner that, at the end of each fiscal year, the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Corporation shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his account; provided that individual notices of such amounts furnished by each member shall not be required if the Corporation notifies all members of the aggregate amount of such excess and provides a clear explanation how each member may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Corporation corresponding amounts for capital.

SECTION 3: All amounts received by the Corporation from its operations on or prior to December 31, 1987, in excess of costs and expenses and not used to offset losses in 1987 or prior years shall be allocated equally to the members as of December 31, 1987 and any amount so allocated shall be credited to the capital accounts of such members.

SECTION 4: Property contributions, Aid-to-New-Construction Fees, and other contributions in aid of construction are considered member equity and not a component of net margin. All other amounts received by the Corporation from its operations in excess of costs and expenses shall, insofar as permitted by law, be: (a) used to offset any losses incurred during the current or any prior fiscal year; (b) retained in reasonable reserves for any lawful purpose including, but not limited to, expanding and improving facilities, retiring capital indebtedness, acquiring other assets, unexpected expenses and future losses and expenses; and, (c) to the extent not needed for those purposes, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of members, as herein provided.

SECTION 5: In the event of dissolution or liquidation of the Corporation, after all its outstanding indebtedness shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the

financial condition of the Corporation will not be impaired thereby, the capital then credited to members' accounts and the accounts of former members may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Corporation being first retired. A Capital Credit Policy shall be adopted by the Board from time to time as a plan of distribution for retirement of capital.

SECTION 6: Capital credited to the account of each member shall be assignable only on the books of the Corporation pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such member's premises served by the Corporation unless the Board, acting under policies of general application, shall determine otherwise.

SECTION 7: Notwithstanding any other provision of these By-Laws, the Board of Directors at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of the member's estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.

SECTION 8: The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Corporation and each member, and both the Corporation and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the By-Laws shall be called to the attention of each member of the Corporation by posting in a conspicuous place in the Corporation's office.

ARTICLE XIII

DISTRIBUTION OF SURPLUS FUNDS UPON DISSOLUTION

SECTION 1: Upon the Corporation's dissolution, after (a) All debts and liabilities of the Corporation shall have been paid, and (b) All capital furnished through patronage shall have been retired as provided in these By-Laws, the remaining property and assets of the Corporation shall be distributed without priority among the members and former members in the proportion which the patronage of each member or former member from and after January 1, 1988 bears to the total patronage of all members and former members from and after such date, to the date of such dissolution; provided that before making such distribution, if any gain is realized upon dissolution from the sale of any appreciated asset, such gain shall be distributed to all persons who were members during the period the asset was owned by the Corporation in the proportion each such member's patronage bears to the total patronage of all members during such period.

ARTICLE XIV

AMENDMENTS TO BY-LAWS

SECTION 1: Subject to written notice of proposed amendment, ballot mail out and an opportunity for members in good standing to vote, these By-Laws may be repealed or amended by a majority of the members voting pursuant to a regular meeting or special meeting of the Corporation called for that purpose, notice of which was mailed at least 30 days prior to such meeting. These By-Laws may also be amended or repealed at any meeting of the Board of Directors by the affirmative vote of not less than a majority of the Directors present at a meeting at which a quorum is present, provided notice of such meeting containing a copy of the proposed amendment shall have been given to the Directors, not less than five nor more than ninety days prior thereto; provided, however, that the Board of Directors shall not have the power to alter, amend, or repeal provisions of these By-Laws or adopt new by-law provisions directly relating to the election of the Board of Directors. Any by-law provision adopted by the Board of Directors may be altered, amended or repealed and new provisions adopted by the members in the manner set forth above. The members may prescribe that any by-law provisions adopted by them shall not be altered, amended or repealed by the Board of Directors.

BONITA SPRINGS UTILITIES, INC.
BY-LAWS AMENDMENT HISTORY

Adopted December 26, 1969
Amended March 27, 1971
Amended February 20, 1973
Amended February 18, 1975
Amended February 15, 1977
Amended February 19, 1985
Amended February 17, 1987
Amended December 29, 1987
Amended July 11, 1990
Amended July 23, 1991
Amended December 16, 1991
Amended October 1, 1996
Amended October 21, 1997
Amended February 17, 1998
Amended May 4, 1999
Amended March 21, 2000
Amended March 16, 2004
Amended February 19, 2008
Amended January 17, 2012
Amended September 20, 2016
Amended October 18, 2016