

CODE OF REGULATIONS  
CHOCTAW UTILITIES, INC.  
REVISED AND EFFECTIVE  
June 15<sup>th</sup>, 2022

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**ARTICLE I GENERAL PURPOSES**

101. The purpose for which this Company is formed, and the powers which it may exercise are set forth in the Articles of Incorporation of the Company.
102. This Code of Regulations may be referred to herein as the “Regulations”.

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**ARTICLE II NAME AND LOCATION**

- 201. The name of this Company is Choctaw Utilities, Inc.
- 202. The principal office of this Company shall be located at 2005 Itawamba Trail, London, Ohio, but the Company may maintain offices and places of business at such other places within the State as the Board of Directors may determine.
- 203. The statutory agent of the Company is Mike [Casimir]

**Commented [VB1]:** Are we required to name a statutory agent? We will have to amend this document every time that person changes.

**ARTICLE III RESERVED FOR LATER USE NEVER EXISTED IN ORIGINAL DOCUMENT**

**ARTICLE IV FISCAL YEAR**

401. The fiscal year of the Company shall begin the first day of March in each year and end on the last date of February next following, unless otherwise determined by the Board of Directors.

## ARTICLE V MEMBERSHIP

501. Any owner of a dwelling located on a lot in the Choctaw Lake Subdivision as delineated on the recorded maps thereof numbered 1, 2, 3, 3A, 4 and 6 recorded in the Office of the Recorder, Madison County, Ohio, (an "Owner"), having reasonable accessibility to the source of and who is in need of having water supplies for domestic purposes from the water system operated by the Company, for uses which are permitted by the Revised Amendment of Restrictive Covenants dated May 19<sup>th</sup>, 1988 filed with the Madison County Recorder at Vol. 276 Page 309 and as amended in the future (the "Restrictive Covenants"), will be admitted to Membership and become a "Member" by signing such agreements for the purchase of water as may be provided and required by the Company; provided that no person who seeks a new tap/connection to the water system for a use consistent with the Restrictive Covenants otherwise eligible shall be permitted to subscribe for or acquire a Membership of the Company if the capacity of the Company's water system is exhausted by the needs of its existing Members. There shall be no Membership fee.

501.01. Customers Prior to December 16<sup>th</sup>, 2022: An Owner whose property previously received water from CUI and requires water for use in compliance with the Restrictive Covenants, will become a Member upon execution of a "Water Users Agreement" provided by the Company.

501.02. Customers After December 16<sup>th</sup>, 2022: An Owner who requires water for use in compliance with the Restrictive Covenants and did not receive water from CUI prior to December 16<sup>th</sup>, 2022 will become a Member when they execute the Water Users Agreement provided by the Company and pay the tap fee if any in full as required by the Company.

The privileges of Membership may be exercised by the deedholder(s).

502. In case of the death of a Member or if a Member ceases to be eligible to hold Membership as provided in Section 501, or willfully fails to comply with these Regulations and other requirements, or willfully obstructs the purposes and proper activities of the Company, the

Company, through the Board of Directors, may elect to suspend their Membership. Any Member whose Membership is so suspended for cause other than that of ceasing to be eligible, may appeal from the action of the Board of Directors to a vote of the Members at the next Annual Meeting of the Members or a Special Meeting of Members called for such purpose.

503. Voting; Rights and Interest

503.01. A Member of the Company shall be entitled to cast the number of votes in person equal to the number of active taps owned. Every Member upon becoming a Member of the Company agrees to sign such agreements for the purchase of water from the Company as may from time to time be provided and required by the Company.

503.02. The rights and interest of the Members in the savings of the organization will be determined in proportion to their business with the organization, and the organization will maintain such records as are necessary to determine each Member's rights and interest in the savings of the organization.

504. Each Member agrees to sign such Water User's Agreement as the Company shall from time to time provide and require.

505. A "Member in Good Standing" is defined as Member whose account with the Company is current with water payments to a period within the previous sixty (60) days.



**ARTICLE VI MEETINGS OF MEMBERS**

601. The annual meeting of the Members of this Company shall be held at the designated place and time on the first Monday of March of each year, if not a legal holiday, or if a legal holiday, on the next business day. Notice of the Annual Meeting of Members must be sent 10 days prior by electronic means (email of record, with the Company or electronic signage posted at the entrances to the Choctaw Subdivision,) and/or mail to each Member of record.
602. A quorum for the transacting of business at any meeting of Members shall be seventy-five (75) or more of the Members in Good Standing. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting.
603. Only Members in Good Standing shall be entitled to cast the number of votes in person equal to the number of active taps they own. "Active taps" shall mean a tap upon which all timely payments have been made and the monthly charge is current to within sixty (60) days prior to the meeting.
604. A "Special Meeting of the Members" can be called by the President, or by a majority of the Directors acting with or without a meeting, or twenty-five percent (25%) of all Members as evidenced in writing at the time of the calling of such meeting and then entitled to be voters at a meeting of the Members. Upon delivery to the Secretary of a request in writing for a meeting of the Members by any persons entitled to call such meeting, it shall be the duty of the Secretary to whom the request is delivered to give notice to the Members of such meeting. Said request shall specify the objects or purposes and the date and hour for such meeting. Notice of the Special Meeting of Members must be sent at least twenty (20) days prior by electronic means (email of record, with the Company or electronic signage posted at the entrances to the Choctaw Subdivision) and/or mail to each Member of record.

Commented [VB2]: Delete Member

Commented [VB3]: Remove the first highlighted sentence as it seems redundant to the second sentence. Add "at least" before the word twenty.

## ARTICLE VII ELECTION OF DIRECTORS

### 701. Nominating Committee and Nomination Process

701.01. Prior to an Annual Meeting of Members at which one or more Directors are to be elected, the President shall appoint a Nominating Committee on or before October 15<sup>th</sup> of three (3) to five (5) Members who must be Members in Good Standing, none of whom may be currently serving on the Board at the time of appointment. The Nominating Committee shall have the responsibility to conduct the annual election at the time and date set by the Board of Directors. The duties and restrictions placed upon said committee are as follows:

A. Nominations – Said committee shall solicit Member applications from Members in Good Standing to be candidates for the office of Director. The Committee will receive applications in the form directed by the Committee which shall include relevant information relating to the candidates. The Committee shall check and certify as qualified all candidates seeking to be elected to the Board of Directors, in accordance with 1001.01.

701.01.A.1. The Committee will not certify more than three (3) candidates for any one position on the Board of Directors.

701.01.A.2. No applications of candidates will be accepted later than December 1<sup>st</sup> of each fiscal year in which an election is to be conducted.

B. Publicity – Said Committee shall be responsible for obtaining relevant information from all applicants, and take such action as is necessary for the relevant information of each approved applicant to be a candidate prior to December 10<sup>th</sup>, to be published in either a regular or special edition of a newsletter to all Members prior to the election.

Commented [VB4]: Remove space after 10th

701.01.B.1. All Elections to the Board of Directors shall be made on a written or electronic ballot provided by the Nominating Committee, which shall:

701.01.B.1.1. Describe the vacancy to be filled.

701.01.B.1.2. Be distributed on the basis of one ballot for each Member in Good Standing, except that a Member in Good Standing who owns more than one lot with an active tap shall receive one vote per tap.

701.01.B.2. After voting, each ballot shall be returned in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one (1) ballot and the inclusion of more than one ballot in any "Ballot" envelope shall disqualify the return. Each such "Ballot" envelope shall be placed in another sealed envelope, which shall bear on its face the name of the Member, lot number, and such other information as the Board may determine will serve to establish the right to cast the vote presented in the ballot contained therein. This outer envelope shall be addressed and returned to the "Ballot Counting Committee" at a designated P.O. Box, in London, OH 43140 or at any other secure drop location designated by the Board of Directors.

701.01.B.3. Ballots shall be picked up from the P.O. Box periodically by the Patrol Chief of the CLPOA. The ballots shall remain in their possession in a secure place until the ballots are turned over to the Ballot Counting [Committee] after the election is closed.

**Commented [VB5]:** Change to "Ballot Counting Committee" since that is the official name of the committee.

701.01.B.4. When secure electronic balloting becomes available, the ballot committee shall formulate procedures for the completion and counting of those ballots.

701.01.B.5. When electronic balloting becomes available, a Member must elect to participate in the electronic balloting in writing, otherwise the Member will receive all ballots pursuant to the procedures outlined above.

701.02. Ballot Counting Committee: The Board of Directors will appoint three (3) Members in Good Standing to serve as Election Inspectors whose duty it shall be to the best of their ability, to receive and count the ballots cast. This committee shall receive the "Ballot" envelope, each in its outer envelope as described in 701.01.B.2 and immediately place it in a safe or other locked place until the day fixed by the Board of Directors for the counting of such ballots. On that day the Ballot Counting Committee shall:

- A. Examine the external envelopes containing the "Ballot" envelopes to establish that such Member is a Member in Good Standing. Such procedure shall be taken in such a manner that the vote of any Member shall not be disclosed to anyone, including the Ballot Counting Committee. The outside envelope shall thereupon be placed in a safe or locked place.
- B. The Ballot Counting Committee shall proceed to opening the "Ballot" envelopes, and the counting of the votes. If any "Ballot" envelope is found to contain more than (1) ballot, all ballots in such envelope shall be disqualified.
- C. It shall tabulate the results of the voting and certify the winning candidates to the Nominating Committee and the Board of Directors. The candidates for the open seats receiving the highest number of votes shall be deemed

winners to fill the vacancies for three-year terms. Any vacancies for shorter than three-year terms shall be filled by the persons receiving the next highest number of votes, first for two-year terms, then for one-year terms. In case of a tie for the final vacancy to be filled, the winner will be determined by a coin toss.

- D. The Ballot Counting Committee thereafter shall cause each Director elected to be notified and secure assurance that the candidates will accept the office to which they have been elected.
- E. All outside envelopes, ballots and statements of candidacy shall be retained at the office of the Company for a period of one year.
- F. If there are five (5) or less votes between possible winning candidates, then a recount will be conducted by the Board of Directors.

## ARTICLE VIII MEETINGS OF THE BOARD OF DIRECTORS

801. Regularly scheduled meetings of the Board of Directors shall occur in March, May, July, September, November, January and February (the “Regular Meetings of Directors”). Notice shall be sent to Members at least five (5) calendar days prior to date of meeting.
802. The new fiscal year budget (the “Budget”), a five-year fiscal projection (“Five Year Projection”) and Capital Investment Plan (CIP), shall be prepared before February 1 of each year and presented to the Board of Directors and voted on at the February meeting. The Budget, Five-Year Projection, and CIP shall be made available to any Member by electronic means or in printed form at least ten (10) [days] prior to being presented to the Board of Directors for a vote. After the Budget is approved, the Board of Directors may expend as needed funds not budgeted in a cumulative amount up to one million dollars. If the Board of Directors is considering expending cumulative funds not budgeted in excess of five hundred thousand dollars (\$500,000.00), the Budget must be amended, and the proposed “Amended Budget” shall be made available to any Member by electronic means or in printed form at least ten (10) days prior to being presented to the Board of Directors for a vote. If an emergency exists, that requires the Board of Directors to expend [cumulative] funds not budgeted in order to protect or preserve property, life or to ensure safety, the Board of Directors after finding that such emergency exists by an affirmative vote of the majority of the Board of Directors, may expend such funds as are necessary in order to protect or preserve property, life or to ensure safety.
803. Newly elected Directors of this Company shall be seated at the conclusion of the February Regular Meeting of the Directors.
804. Order of Business.
- A. The order of business at the Regular Meeting of Directors and so far, as possible:
- i. Calling to order and proof of quorum.
  - ii. Proof of notice of meeting.

Commented [VB6]: What if the meeting is before February 10?

Commented [VB7]: Change “expended cumulatively” to “expend cumulative”.

- iii. Reading of the minutes and approval of same from the previous meeting.
- iv. Treasurer's Report
- v. Operator's report
- vi. Approve Budget for new Fiscal Year (February only)
- vii. Election of Officers. (February only following the seating of newly elected Directors)
- viii. Old business.

Commented [VB8]: Remove "annual"

ix. New business.

x. Adjournment

805. Any person who disrupts the meeting [shall] be removed from the meeting.

Commented [VB9]: Replace shall with may?

806. Any Member wishing to propose an item of new business, including removal of a Director as provided in Section 1009, for consideration by the Membership at an annual meeting shall give written notice to the Secretary of the Company of the nature of the matter to be proposed or considered at least twenty (20) days prior to the date of the annual meeting. This Section shall not apply to any items of new business proposed or introduced by the Board of Directors.

807. No electronic recording shall be made of the procedures of a meeting, except by authorization of the Board of Directors.

808. All meetings provided for in these Regulations shall be conducted in accordance with the latest edition of *Robert's Rules of Order, Revised*, unless otherwise directed by these Regulations or by resolution of the Board of Directors. The President shall be the parliamentary procedure officer and the decisions of such President with respect to matters of parliamentary procedure shall be final.

809. Action without a meeting of the board ("Electronic motion") shall be voted upon by all Directors and must be unanimous to carry and within 10 days of the initial [motion].

Commented [SM10]: What is this?

810. Notice of "Special Meeting of the Directors" may be given by electronic means (email of record, with the Company or electronic signage posted at the entrances to the Choctaw Subdivision) and/or mail to each Member of record, directed to the address shown upon the books of the Company, no less than two (2) business days before the meeting. Such notice shall state the nature, time, place, and purpose of the meeting.



**ARTICLE IX RESERVED FOR LATER USE NEVER EXISTED IN ORIGINAL DOCUMENT**

## ARTICLE X DIRECTORS AND OFFICERS

1001. The number of the Members of the Board of Directors shall be determined pursuant to law, by resolution of the Members entitled to vote, but shall not be less than seven (7) Members. New directors shall be seated and assume duties and responsibilities after the conclusion of the February meeting of the Board of Directors, pursuant to Section 1002.01 below. Directors shall continue in office until their respective successors shall have been duly elected and qualified.

1001.01. A Director shall meet the following [qualifications]:

- A. Be a Member in Good Standing of this Company
- B. Not be convicted of a felony
- C. Not be an employee of the Company
- D. Cannot hold paid public office in the county of Madison Ohio or another county adjacent to Madison County Ohio
- E. May not be a Member of CLPOA Board.
- F. Not be a resident of the same household as any other Director.

Commented [VB11]: Shouldn't this be in the nomination process?

1002. Term of Office.

1002.01. The Board of Directors will consist of seven (7) with terms as follows:

- A. The number of directors shall be seven (7) Members. Two (2) Directors are to be elected annually for a three (3) year term, except for every third (3<sup>rd</sup>) year where three (3) directors will be elected for a three (3) year term.
- B. One (1) Director shall be appointed by the President the additional duty of liaison to the Choctaw Lake Property Owners Association Board of Trustees for one year beginning in March of every year.

C. The current Company Directors, as-of the conversion to a not for profit, shall serve the remainder of their terms and any Director prior to the conversion who is also a Trustee of CLPOA shall not be disqualified from being a Director of the Company, until their term with the Company expires.

1003. The Board of Directors shall, at the conclusion of the February meeting of [Directors], elect by roll call vote a President, Vice-President, Secretary, and Treasurer (collectively “Officers”) from among themselves, each of whom shall hold office until the election and qualification of their successor unless sooner removed by death, resignation or for cause. Regular Meeting of Directors shall be held at such times as determined in 605.01
1004. Five (5) Members of the Board of Directors shall constitute a quorum. Each Member of the Board of Directors shall have one vote and the affirmative vote of a majority of Directors present and constituting a quorum is necessary for any action taken by a vote of the Board. A Director must be present in person or electronically at meetings of the Board in order to vote.
1005. A Special Meeting of Directors may be called at any time by the President, or any two (2) Directors, on not less than two (2) business days’ notice previous to the meeting. Notice of a Special Meeting of Directors shall be given as provided in Section 602 of these Code of Regulations or by telephone message. Any meeting at which all Directors are present shall be legal without notice or waiver.
1006. If any Director position becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office by section 1009, 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 election at which time the Members shall elect a Director for the unexpired term, or terms. In the event the remaining Directors do not or cannot approve a successor by a majority vote, then the President shall name the successor.

Commented [VB12]: Add commas after shall and Directors.

1007. There will be no direct or indirect compensation of Officers or Directors.

1008. Removal. Officers and Directors may be removed from office in the following manner:

1008.01. Any Member or Director may present charges against a Director or Officer by filing them in writing with the Secretary of the Company. Such removal shall be voted at the next Regular Meeting of Directors or Special Meeting of Directors and shall be effective if approved by five (5) Directors as provided in these Regulations.

1008.02. The Director, or Officer against whom such charges have been presented shall be informed, in writing, of such charges ten (10) days prior to the meeting and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against them shall have the same opportunity.

1008.03. If the removal of a Director is approved, such action shall also vacate any other office held by the removed Director in the Company.

1009. A Director who misses three (3) Regular Meetings of Directors in any calendar year without good cause given to the Board of Directors shall be deemed to have abandoned the Office of Director and the Office of the Director shall be deemed vacant. The vacancy shall be filled as in Section 1006.

1010. Regular Meetings of Directors and Special Meetings of Directors are open to the ~~Members~~.

1010.01. The Board of Directors may meet in executive session to discuss matters of litigation, personnel matters, negotiations on any matter, property acquisition, or any other matter which would be detrimental to the operation of the Company if disclosed publicly.

1011. Indemnification

Commented [VB13]: Remove "The meetings," and add an s to Meeting and Member.

The Company 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, suit or proceedings, whether civil, criminal, administrative, or investigative (other than an action threatened or instituted directly by the Company) by reason of the fact that the person is or was a Director, Officer, employee, or agent of the Company, from any and all claims or judgments, to include reasonable attorney fees and expenses arising during and out of the performance of their duties, if the person acted in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that their conduct was unlawful.

#### **ARTICLE XI DUTIES OF DIRECTORS**

1101. The Board of Directors, subject to the restriction of law, the articles of incorporation, or these Regulations, shall exercise all of the powers of the Company, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and hereby are given, full power and authority in the respect to the matters and as hereinafter set forth:

1101.01. To pass upon the qualifications of Members, and to cause to be issued appropriate certificates of Membership.

1101.02. To select and appoint all Officers, agents, or employees of the Company or remove such agents or employees of the Company for just cause, prescribe such duties and designate such powers as may not be inconsistent with these Regulations, fix their compensation and pay for faithful service.

- 1101.03. To borrow from any source, money, goods, or services, and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.
- 1101.04. To prescribe, adopt and amend from time to time such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the Company and the guidance and control of its Officers and employees, and to prescribe adequate penalties for the breach thereof.
- 1101.05. To order, at least once each year, an audit of the books and accounts of the Company by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the Members of the Company at the Annual Meeting of Members.
- 1101.06. To fix the charges to be paid by each Member for services rendered by the Company to them, the time of payment and manner of collection.
- 1101.07. To pay for bonds with Company funds covering all Officers, agents and employees charged with responsibility for the custody of any of the funds of the Company, which obligation is mandatory.
- 1101.08. To select one or more banks and or Investment Firms to act as depositories of the funds of the Company and to determine the manner of receiving, depositing and disbursing of funds of the Company and the form of checks and the person or persons by whom the same shall be signed with the power to change such banks and the person signing such checks and the form thereof at will.
- 1101.09. To purchase and maintain insurance on behalf of any agent of the Company, including a Director, Officer, employee, or other agent, against any liability other than for violating provisions of law relating to self-dealing.



## ARTICLE XII DUTIES OF OFFICERS

1201. Duties of the President: The President shall preside over all meetings of the Company and the Board of Directors, call Special Meetings of Directors, perform all acts and duties usually performed by an executive and presiding officer, and execute such other papers of the Company as they 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 Company. The President shall perform such other duties as may be prescribed by the Board of Directors.
1202. 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 vacant and elect the successor.
1203. Duties of the Secretary: The Secretary shall keep a complete record of all meetings of the Company and of the Board of Directors and shall have general charge and supervision of the records of the Company. They shall sign all papers pertaining to the Company as they may be authorized or directed to do so by the Board of Directors. They shall serve all notices required by law and these Regulations and shall make a full report of all matter and business pertaining to the office of Secretary to the Members at the Annual Meeting of Members. They shall keep the corporate records of the Company. They shall make all reports required by law and shall perform such other duties as may be required of them by the Company or the Board of Directors. Upon the election of their successor, the Secretary shall turn over to them all books and other property belonging to the Company that they may have in their possession.
1204. Duties of the Treasurer: The Treasurer shall have general charge and supervision of the financial books of the Company. They shall sign all papers pertaining to the Company as they may be authorized or directed to do so by the Board of Directors. They shall serve all notices required by law and these Regulations and shall make a full report of all matters and business pertaining to the office to the Board of Directors at the annual and Regular



Meetings of Directors. They shall also perform such duties with respect to the finances of the Company as may be prescribed by the Board of Directors.

1205. Any Officer and or employee elected or appointed by the Board of Directors, other than that of director, may be removed at any time upon vote of the majority of the whole Board of Directors.
1206. The same person may hold more than one office, other than that of President and Vice-President.
1207. In the absence of any Officer of the Company, or for any other reason which the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties of such Officer to any other Officer or to any Director, provided a majority of the whole Board of Directors concur therein.

### ARTICLE XIII DISTRIBUTION OF SURPLUS FUNDS

1301. It is not anticipated that there will be any net income. If there should be any, then at the end of any fiscal year, after paying the expenses of the Company for operation and otherwise, and after setting aside for reserve, for depreciation of all buildings, equipment, facilities, and office fixtures, and such other reserves that the Board of Directors may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the Company, and after providing for the purchase of proper supplies and equipment, the net earning shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the Company and for such other purposes as the Board of Directors may determine to be for the best interest of the Company. The said surplus fund or any portion thereof may from time to time at the discretion of the Board of Directors be applied to said debt of said Company.
1302. Any part or the whole of such net income may be credited at the discretion of the Board of Directors to the indebtedness of the Company, should any exist, and upon payment of all debts of the Company, any surplus so remaining to be placed in a reserve account until such time as the Board of Directors shall deem sufficient for the needs of said Company. Thereafter the Board of Directors may reduce said water rates in accordance with the declared savings. The rights and interest of the Members in the savings of the organization will be determined in proportion to their business with the organization, and the organization will maintain such records as are necessary to determine each Member's rights and interest in the savings of the organization.

**ARTICLE XIV WATER LINE INSTALLATION**

1401. In the event a property owner refuses to give the Company access to an easement for any water line or other necessary facilities for the provision of water service, the Company will utilize the easement as stated in the Restrictive Covenants
1402. Any construction and or damages will be the responsibility of the Company consistent with easements and Restrictive Covenants.

#### ARTICLE XV INSPECTION OF RECORDS

1501. Pursuant to the provisions of Article V of these Regulation, Members in Good Standing may inspect the books, records, accounts and documents of the Company under the following conditions:
- 1501.01. Financials (Profit and Loss) of the Company will be published in the CLPOA Peace Pipe on a monthly basis.
    - A. Balance Sheet and year-end Profit and Loss will be published annually.
  - 1501.02. Five business days written notice of intent to inspect shall be given to the Company at the principal offices of the Company.
  - 1501.03. The written notice shall specify the books, records, accounts or other documents which the Member wishes to inspect.
  - 1501.04. The written notice shall specify the time, which must be during normal business hours, during which the Member wishes to inspect.
  - 1501.05. The Company shall have the right to specify, in writing to the requesting Member, a different time and date, within thirty (30) days of the date requested by the Member, if business and office conditions, in the opinion of the Company, so dictate.
  - 1501.06. All accounts of the Member with the Company shall be current and paid up, both at time of request to inspect and at the time specified for the inspection either by the Member, or as extended by the Company,
  - 1501.07. If, in the opinion of the Company, the substantial time of Company personnel will be required to comply with the Member's request to examine documents, or there be a need to employ persons outside the Company, the Company shall determine a cost based upon the time of Company personnel required to assemble the books, records, accounts, and documents of the company, any cost

of outside personnel necessary and the cost of personnel to monitor the inspection and require the Member requesting the inspection to deposit such cost with the Company prior to assembly of the books, etc. for inspection The Company shall compute the actual cost of the inspection and refund any amount not utilized from the deposit. If the actual cost will be more than the deposit, they will be notified of the expected amount in excess of the deposit which shall be collected from the Member before the costs are incurred.

The Company is not required to provide copies of any book, record, account or document to a Member. If a Member, after inspection, requests such a copy or copies, that request shall be forwarded to the Board of Directors for determination as to whether to provide the requested copy and under what conditions including cost.

**ARTICLE XVI AMENDMENT OF REGULATIONS**

This Regulations may be amended by a majority of members present at any Meeting of Members or Special Meeting of Members, if at least ten (10) days prior to the meeting written notice is given all members in good standing of the proposal to amend the Regulations at such meeting and provided further that a quorum as provided for in Section 602 is established at the meeting.