

ARTICLES OF INCORPORATION

OF

R C H WATER SUPPLY CORPORATION

Filed in the Office of the
 Secretary of State of Texas
 This 24 day of July, 1944
[Signature]
 Director, Charter Division

THE STATE OF TEXAS)
 COUNTY OF ROCKWALL)

KNOW ALL MEN BY THESE PRESENTS:

WE, the undersigned and natural persons of the age of twenty-one (21) years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I.

The name of the corporation is R C H WATER SUPPLY CORPORATION.

ARTICLE II.

The corporation is formed for the purpose of furnishing a water supply to individuals residing in the rural community of Rockwall, Texas, and the surrounding rural areas, as authorized by Section 1 of Article 1434a of the Revised Civil Statutes of Texas of 1925, as amended.

ARTICLE III.

The period of its duration is fifty (50) years.

ARTICLE IV.

The corporation is a non-profit corporation and shall conduct its business on a non-profit basis, and no dividends shall ever be paid to the members of the corporation, except that all profits arising from the operation of the business of the corporation shall be annually paid out to persons who have, during the past year, transacted business with such corporation, in direct proportion to the amount of business transacted, provided that no such dividends shall ever be paid while any in-

debtedness of the corporation remains unpaid, and provided also that the directors of such corporation may allocate to a reserve fund such amounts of the annual income as they deem necessary for maintenance, upkeep, operation and replacements, emergency repairs, and for deficiencies in income necessary to meet debt service cost.

ARTICLE V.

The corporation may make and collect charges for water delivered in such amounts and in such manner as may be provided for in the By-Laws. It may adjust rates from time to time and make additional assessments, prospective or retroactive, on the basis of number of connections or otherwise to cover deficiencies in income in the event the amount collected from water charges is insufficient in any year to operate and maintain the water system and pay annual obligations, and enforce the collection thereof by the termination of water service or membership as provided in the By-Laws and by personal action at law.

ARTICLE VI.

The places where the business of the corporation is to be transacted shall be the Rockwall Community in Rockwall County, Texas, and surrounding rural areas.

ARTICLE VII.

Each member of the corporation shall be given a certificate which shall entitle him to one vote in the conduct of the affairs of the corporation. A member may own more than one membership, in order to obtain additional water service connections, but each member will be entitled to only one vote, in any event.

ARTICLE VIII.

The street address of the initial registered office of the corporation is 103 East Washington, Rockwall, Texas, and the name of its initial registered agent at such address is Leon Cross.

ARTICLE IX.

The number of directors constituting the initial Board of Directors is five, and the names and addresses of the persons who are to serve as the initial directors are:

<u>NAME</u>	<u>ADDRESS</u>
Tom Lewis	Rt. 1, Terrell, Texas
Leon Cross	103 East Washington, Rockwall, Texas
Elmer Coughran	Rt. 1, Terrell, Texas
Raymond Cameron	509 Crotty Street, Rockwall, Texas
O.W. White	Rt. 1, Rockwall, Texas

ARTICLE X.

The name and street address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Tom Lewis	Rt. 1, Terrell, Texas
Leon Cross	103 East Washington, Rockwall, Texas
Elmer Coughran	Rt. 1, Terrell, Texas
Raymond Cameron	509 Crotty Street, Rockwall, Texas
O.W. White	Rt. 1, Rockwall, Texas

ARTICLE XI.

The corporation is and shall continue to be a corporation without capital stock. Membership in the corporation shall be sold for \$150.00 per member to not more than 220 members.

IN WITNESS WHEREOF, we have hereunto set our hands, this the 20th day of July, 1961.

Tom Lewis

Leon Cross

Elmer Coughran

Raymond Cameron

O.W. White

THE STATE OF TEXAS)

COUNTY OF ROCKWALL)

I, ORA S. CROSS, a Notary Public, do hereby certify that on this the 20th day of July, 1961, personally appeared before me, Tom Lewis, Leon Cross, Elmer Coughran, Raymond Cameron and O.W. White, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

ORA S. CROSS

Notary Public in and for Rockwall County, Texas

ORA S. CROSS

My Commission expires: June 1, 1963.