

ARTICLES OF INCORPORATION  
OF  
VALLEY RURAL UTILITY COMPANY

**APPROVED  
AND  
FILED**

IND. SECRETARY OF STATE

The undersigned incorporators, desiring to form a corporation pursuant to the provisions of the Indiana Nonprofit Corporation Act of 1991 (hereinafter referred to as the "Act"), execute the following Articles of Incorporation:

ARTICLE I

Section 1.1. The name of the Corporation is Valley Rural Utility Company (hereinafter referred to as the "Corporation").

ARTICLE II

Purposes

Section 2.1. Purposes. The Corporation is a mutual benefit corporation organized exclusively for the mutual benefit of its members within the meaning of Section 501(c)(12) of the Internal Code of 1986, as the same may be amended from time to time, or the corresponding provisions of any future United States revenue law. As thus limited, the purposes for which the Corporation is organized include providing a not-for-profit water and sewer utility pursuant to I.C. 8-1-2-125 which will qualify as a "like organization" under Section 501(c)(12) of the Internal Revenue Code of 1986 and corresponding provisions of future laws.

ARTICLE III

Period of Existence

Section 3.1. Period of Existence. The period during which the Corporation shall continue is perpetual.

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ARTICLE IV

Registered Agent and Registered Office

The name of the Registered Agent is L. Parvin Price, Bose McKinney & Evans, and the address of the Registered Office at which the Registered Agent may be reached is 2700 First Indiana Plaza, 135 North Pennsylvania Street, Indianapolis, Indiana 46204.

ARTICLE V

Membership

Section 5.1. Classes of Members. There shall be only one (1) class of members of the Corporation. The membership shall be composed of individuals who own a lot(s) in Hidden Valley Lakes subdivision as described in Exhibit A.

Section 5.2. Voting Rights. Each member shall be entitled to vote on each matter submitted to a vote of the members; however, there shall be no more than one vote per lot owner.

ARTICLE VI

Directors

Section 6.1. Number of Directors. The number of Directors on the initial Board of Directors shall be five (5). Thereafter, the number of Directors of the Corporation shall be fixed by the Code of By-Laws of the Corporation, but in no event shall the Code of By-Laws fix the number of Directors at less than five (5) or more than seven (7).

Section 6.2. Names and Post Office Addresses of the Initial Directors. The names and post office addresses of the initial Board of Directors are:

<u>Name</u>	<u>Number and Street or Building</u>	<u>City and State</u>	<u>Zip Code</u>
Jerry W. Hacker	19325 Schmarr Drive	Lawrenceburg, IN	47025
Elizabeth M. Markins	19325 Schmarr Drive	Lawrenceburg, IN	47025
Lois A. Bittner	19325 Schmarr Drive	Lawrenceburg, IN	47025
Kevin R. Gilmartin	19325 Schmarr Drive	Lawrenceburg, IN	47025
Robert C. Lengreich	19325 Schmarr Drive	Lawrenceburg, IN	47025

Section 6.3. Terms of Directors. Directors of the Corporation shall be elected for such terms as may be fixed by the Code of By-Laws of the Corporation and shall, if the By-Laws shall so provide, be divided into as many groups whose terms of office expire at different times as the By-Laws shall provide; provided, however, that no term of office shall continue longer than three (3) years.

Section 6.4. Removal of Directors. Any or all members of the Board of Directors of the Corporation may be removed with or without cause by a vote of the majority of all the members then entitled to vote at an election of Directors held during any meeting of the members called expressly for that purpose.

## ARTICLE VII

### Incorporators

Section 7.1. Names and Post Office Address. The names and post office addresses of the incorporators of the Corporation are L. Parvin Price, 2700 First Indiana Plaza, 135 North Pennsylvania Street, Indianapolis, Indiana 46204, and Robert J. Ewbank, 114 W. High Street, P.O. Box 72, Lawrenceburg, IN 47025-0072.

## ARTICLE VIII

### Provisions for the Regulation and Conduct of the Affairs of the Corporation

Section 8.1. Powers. To carry out the purposes set forth above, the Corporation shall have the powers enumerated in the Indiana Nonprofit Corporation Act of 1991, as the same may be amended from time to time; provided, however, that notwithstanding any other provision of these Articles or any provision of said Act or any other law, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(12) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States revenue law).

Section 8.2. Dissolution. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities and obligations of the Corporation, distribute the remaining assets to the Members who were Members during the period such assets were owned by the Corporation in proportion to their membership interest, determined first by capital paid in, if any, and thereafter by any rates and charges paid by each Member to the Corporation. In the event that at the time of dissolution there are no Members who have paid rates, charges or fees to the Corporation, or the whereabouts of any Member is not

reasonably available, the net assets of the Corporation shall be transferred to such non-profit corporation or corporations which are in existence at such time and which are organized at such time for purposes substantially the same as those of the Corporation and which qualified at such time as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Revenue Law), as the Board of Directors of the Corporation may determine.

Section 8.3. Indemnification of Directors, Officers and Employees. The Corporation shall indemnify any individual made a party to any action, suit or proceeding by reason of the fact that such individual is or was a director, officer, employee or agent of the Corporation against all liability and reasonable expense incurred or suffered by such individual in connection therewith, if:

- (a) the individual's conduct was in good faith; and
- (b) the individual reasonably believed:
  - (i) in the case of conduct in the individual's official capacity with the Corporation, that the individual's conduct was in its best interests; and
  - (ii) in all other cases, that the individual's conduct was at least not opposed to the Corporation's best interests; and
- (c) in the case of any criminal proceeding, the individual either:
  - (i) had reasonable cause to believe the individual's conduct was lawful; or
  - (ii) had no reasonable cause to believe the individual's conduct was unlawful.


The terms used in this Article VIII shall have the same meaning as set forth in IC 23-17 et seq. Nothing contained in this Article VIII shall limit or preclude the ability of the Corporation to otherwise indemnify or to advance expenses to any director, officer, employee or agent.

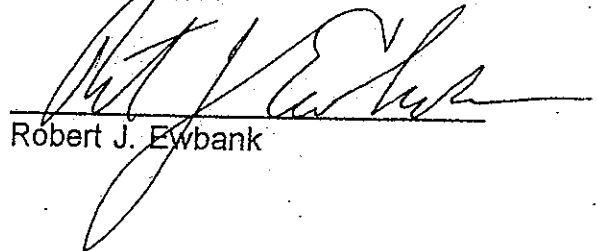
The rights of indemnification, reimbursement and advance payments set forth above shall not be deemed exclusive of any other rights to which such individual may be entitled apart from the provisions of this Article, and shall inure to the benefit of the heirs and legal representatives of such individual. This section shall be construed in a manner consistent with the proscriptions of these Articles against the Corporation's use or application of its funds for private benefits.

Section 8.4. Code of By-Laws. The Board of Directors of the Corporation shall have the power, without the assent or vote of the members, to make, alter, amend or repeal the Code of By-Laws providing for the internal regulation and conduct of the affairs of the Corporation, provided that a number of Directors equal to a majority of the number of Directors that would constitute a full Board of Directors at the time of such action votes affirmatively for such action.

Section 8.5. Amendment. These Articles may be amended by the Resolution of the Board of Directors followed by the affirmative vote of a majority of the members.

IN WITNESS WHEREOF, the undersigned does hereby execute these Articles of Incorporation as of this 14th day of December, 1994.

  
\_\_\_\_\_  
L. Parvin Price

  
\_\_\_\_\_  
Robert J. Ewbank

43835.d1

Hidden Valley Lake Subdivision--a Planned Unit Development of  
1746 acres in Lawrenceburg and Miller Township, Dearborn County,  
Indiana consisting of Sections I, II, III, IV, V, VI, VII, VIII,  
IX, IXA, X, XI, XII-A, XII-B, XII-C, XII-D, XII-E, XII-F, XIII,  
XIV, XV and XVI.

ARTICLES OF CORRECTION  
OF  
VALLEY RURAL UTILITY CO.

APPROVED  
AND  
FILED  
IND. SECRETARY OF STATE

The name of this corporation is Valley Rural Utility Co.

This is a Domestic corporation authorized to transact business in Indiana on December 14, 1994.

1. These Articles of Correction are filed to correct an incorrect statement as set forth in Article VIII, Section 8.2 of Valley Rural Utility Co.'s Articles of Incorporation filed December 14, 1994.

2. The incorrect statement is as follows:

ARTICLE VIII

Section 8.2

"In the event that at the time of dissolution there are no Members who have paid rates, charges or fees to the Corporation, or the whereabouts of any Member is not reasonably available, the net assets of the Corporation shall be transferred to such non-profit corporation or corporations which are in existence at such time and which are organized at such time for purposes substantially the same as those of the Corporation and which qualified at such time as exempt organizations under Section 501(c)(12) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Revenue Law), as the Board of Directors of the Corporation may determine."

3. The statement is incorrect for the following reason:

The Internal Revenue Service requested removal of the statement in order that the Corporation qualify for tax-exempt status pursuant to I.R.C. § 501(c)(12). The Incorporator seeks to correct the Articles of Incorporation by deleting the statement.

4. The following is the corrected statement:

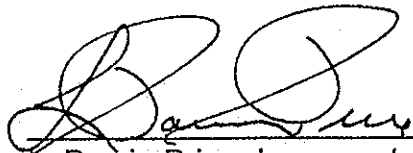
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JEANNE GILROY

ARTICLE VIII

Section 8.2

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities and obligations of the Corporation, distribute the remaining assets to the Members who were Members during the period such assets were owned by the Corporation in proportion to their membership interest, determined first by capital paid in, if any, and thereafter by any rates and charges paid by each Member to the Corporation.

IN WITNESS WHEREOF, the undersigned being the Incorporator of said corporation executes these Articles of Correction this 14 day of April, 1995.



\_\_\_\_\_  
L. Parvin Price, Incorporator

Prepared By:

L. Parvin Price  
BOSE McKINNEY & EVANS  
2700 First Indiana Plaza  
135 North Pennsylvania Street  
Indianapolis, Indiana 46204  
(317) 684-5000

61014/alw



**MINUTES**  
**VALLEY RURAL UTILITY COMPANY**  
**BOARD OF DIRECTORS SPECIAL MEETING**  
**WEDNESDAY, APRIL 28, 2004**

*Board Members Present: Jerry W. Hacker, Jeff Bittner, Dana Hensley,  
Sammy Gutzwiller*

*Also Present: Floyd Ogden, Superintendent*

*Board Member Absent: Jerry Willing (work related)*

*A special meeting of the VRUC Board of Directors was requested by Vice President Jeff Bittner and Secretary Sammy Gutzwiller to address increasing our current five person Board to 7 Directors. Meeting was called to order by President Jerry W. Hacker at 2:30 p.m. at 1503 Kathy Court, HVL, Lawrenceburg, IN (residence of Sammy Gutzwiller to accommodate because of accident and not being able to leave home).*

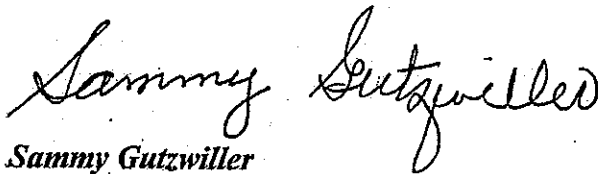
*The urgency of the meeting was due to the number of vacancies (2) and the number of applicants (4) which presented us with an opportunity to increase the Directors on the Board. This has been discussed for years but we never had the property owners committing to the Directorship and thus had to remain at 5. By increasing the number of Directors from 5 to 7 would give us greater representation of the property owners and would also, by not holding an election, would save the members of VRUC approximately \$3000 or more.*

*Sammy Gutzwiller made a motion that our current five member Board of Directors be increased to seven according to the Code of Bylaws of Valley Rural Utility Company (Article VII) which states that the current Bylaws may be amended by a majority vote of the existing Board of Directors. ALSO that our Board recognizes the membership of VRUC has grown dramatically since its formation and interest by the members in participating as Board Members of VRUC has also increased. ALSO in keeping with the current staggered terms as described by both the Articles of Incorporation and the Code of Bylaws, the new seats on the Board of Directors will consist of one initial term of 1 year and also 3 three year terms. Terms will randomly be selected. ALSO, in keeping with the above, the Code of Bylaws of Valley Rural Utility Company, specifically, Section 4.01 shall be amended to reflect that the number of Directors of the Corporation shall be seven (7) effective with the annual meeting, June 8, 2004.*

*ALSO, in keeping with our understood Conflicts of Interest standards no Board member may vote on anything that is directly or indirectly related to him/her, employer, or that directly or indirectly benefits that member in one way or another. Member is not permitted to enter into the discussion or vote, and, under some circumstances, as in the past, the Director may be asked to leave the meeting until such time as the discussion and/or vote is ended.*

*Motion was seconded by Jeff Bittner and unanimously passed.*

*Respectfully submitted,*

A handwritten signature in cursive script that reads "Sammy Gutzwiller". The signature is written in dark ink and is positioned above the printed name and title.

*Sammy Gutzwiller  
Director/Secretary*

VALLEY RURAL UTILITY COMPANY  
BOARD OF DIRECTORS SPECIAL MEETING  
February 20, 2006

Agenda

Approval of Resolution No. 0206-01  
Appointment to the Board of Directors

Board Members present:     Jerry Hacker – President  
                                  Jeffery Bittner – Vice President  
                                  Dana Hensley – Treasurer  
                                  Danny Armbrecht – Secretary  
                                  Jerry Willing – Member @Large  
                                  Robert Sypniewski – Member @Large

Guest:                         James Ulrick – Lot #1304  
                                  Floyd Ogden – VRUC Superintendent  
                                  Bill Blantz – Accounting Manager

The purpose of this special meeting was to approve Resolution No. 0206-01. The resolution is to establish that the Board believes Article IV – Section 4.03 of VRUC By-Laws should be changed to read as follows:

The Directors, other than the initial Board of Directors, shall be elected at each annual meeting of the Corporation as provided in Section 3.10© hereof and shall hold office for the term of three (3) years or until their successors have been duly elected and qualified. Any vacancy or vacancies occurring in the Board of Directors, including the initial Board of Directors, shall be filled by majority vote of the Board. **Any Director elected to fill such vacancy on the Board of Directors may be filled by a majority vote of the remaining Directors. Any Director so elected or appointed shall hold office for the unexpired term of the vacancy.**

A motion was made by Danny Armbrecht and seconded by Dana Hensley to accept Resolution No. 0206-01 as presented. The motion was voted upon and approved unanimously. The Resolution was signed by all Board Members. Certification was dated and signed by Danny L. Armbrecht, Secretary.

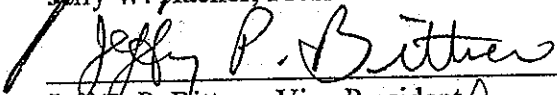
Board of Directors  
Valley Rural Utility Company  
February 20, 2006

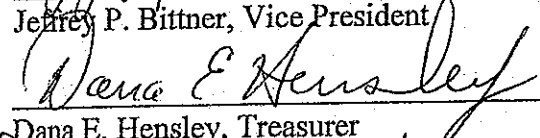
WHEREAS, the Articles and Bylaws of the Corporation, that Article IV – Section 4.03 Election and Vacancies is changed to read:

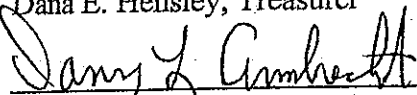
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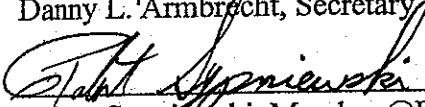
Adopted by the Board of Directors of Valley Rural Utility Company this 20th day of February 2006 at a meeting called specifically for consideration of such resolution.

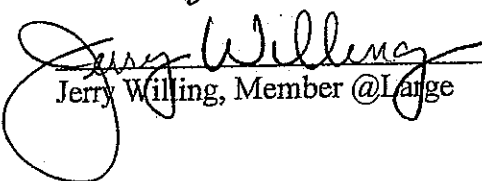
  
Jerry W. Hacker, President

  
Jeffrey P. Bittner, Vice President

  
Dana E. Hensley, Treasurer

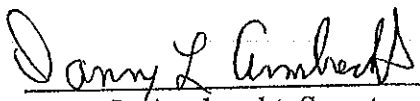
  
Danny L. Armbricht, Secretary

  
Robert Sypniewski, Member @Large

  
Jerry Willing, Member @Large

**CERTIFICATION**

As the duly elected Secretary of Valley Rural Utility Company, I affirm that the above Resolution was passed with 6 votes in favor and 0 against the 20th day of February, 2006.

  
Danny L. Armbricht, Secretary