

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
PDM UTILITY CORPORATION**

These Amended and Restated Articles of Incorporation ("**Articles of Incorporation**") are adopted pursuant to Section 8.05 of the General Corporations Act of the Commonwealth of Puerto Rico, as amended ("**General Corporations Act**") and duly approved by PDM Utility Corporation, a non for profit, nonstock corporation formed under the laws of the Commonwealth of Puerto Rico. These Articles of Incorporation amend and integrate in a sole document all amendments to the articles of incorporation of PDM Utility Corporation. The original Articles of Incorporation of PDM Utility Corporation were filed on June 8, 1973.

ARTICLE I. NAME

The name of the corporation is PDM Utility Corporation (hereinafter referred to as the "**Corporation**").

**ARTICLE II. REGISTERED OFFICE ADDRESS
AND AGENT FOR SERVICE**

The physical and mailing address of the designated office of the Corporation is located at 10 EXECUTIVE OFFICE DRIVE, HUMACAO, PR 00791-5235. The Corporation may also have other offices for the conduct of its services at such other places as the Board of Directors of the Corporation may determine from time to time. The name of its resident agent at such address is PDM Utility Corporation, Attention: Executive Director and Finance Manager.

ARTICLE III. DURATION

The Corporation will have perpetual existence.

ARTICLE IV. PURPOSE

The Corporation is organized to provide and ensure, on a non for profit basis, water and sewer services to all subscribers requesting such services within the geographical boundaries of the Palmas del Mar Development. Palmas del Mar is a master-planned residential tourism development with an area of approximately 3,000 "cuerdas" and 8,000 units authorized to be developed within the Municipalities of Humacao and Yabucoa, Puerto Rico pursuant to the Master Plan approved by the Planning Board in 1968, as amended, modified or supplemented from time to time.

The Corporation is intended to be an organization which is exempt from Puerto Rico income taxation under Section 1101.01 of the Puerto Rico Internal Revenue Code of 2011, as amended (the "**PR Code**") and applicable Puerto Rico Treasury Regulations as the same now exist or as they may thereafter be amended from time to time.

ARTICLE V. MEMBERSHIP

The Corporation shall be composed of members rather than stockholders and the conditions of membership in the Corporation shall be determined and fixed in the Bylaws of the Corporation.

At any meeting of the members, every member having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such member. Members are required to choose as proxies their legal authorized attorney, spouse, the current tenant of the unit, other subscriber entitled to vote or the Board of Directors. A proxy may not represent more than 1 member; this limitation does not apply to proxies choosing the Board of Directors. All proxies must be filed with the Secretary in accordance with Article 4.6 herein. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon ceasing to be a subscriber to the utility services of the Corporation.

ARTICLE VI. BOARD OF DIRECTORS

The business and affairs of the Corporation will be governed, managed and conducted by the Board of Directors, which will consist of such number of individuals as will be fixed by the Bylaws from time to time. The qualifications to serve as a director, the rights and powers of the directors, and the manner of selection of the directors will be as specified in the Bylaws of the Corporation.

ARTICLE VII. POWERS OF THE CORPORATION

In furtherance of or accomplishment of its principal purposes and objectives, the Corporation shall be authorized and empowered:

1. To own, construct, cause to be constructed, purchase or otherwise acquire, rent, operate, hold licenses and franchises, maintain, repair, lease, mortgage, buy, sell or otherwise dispose of, water, waterworks, water distributing systems, dams, reservoirs, water towers, waterways, easements, rights of way, settling basins, filtering, purifying, distilling, pumping plants, plants and systems of sewage and waste treatment of any kind whatsoever.

2. To purchase, lease or otherwise acquire to hold, invest in, own, use, develop, maintain, manage and operate, and to sell, transfer, lease, assign, convey, mortgage, exchange or otherwise turn to account or dispose of, build, construct, develop, subdivide, and otherwise deal in and with such real property or interests thereon, developed or undeveloped, including

buildings, whether located within the Commonwealth of Puerto Rico or elsewhere, as may be necessary or convenient in connection with the business of the Corporation and within the limits permitted by law, and personal property, tangible or intangible, without limitation; and shall in all respects be subject to the provisions of Section 14 of Article VI of the Constitution of the Commonwealth of Puerto Rico.

3. To engage in any one or more other businesses or transactions which the Board of Directors of this Corporation may from time to time authorize or approve, whether related or unrelated to the business described herein.

4. To borrow money for any of the purposes of the Corporation, from time to time, and without limit as to amount; and on such terms and conditions and at such rate of interest as the Corporation may determine, on a secured or unsecured basis, and to give notes, debentures, bonds and other negotiable or non-negotiable instruments of the Corporation therefor; to enter into other obligations on behalf of and for the purpose of the Corporation; and to mortgage, pledge or otherwise encumber all or any of the real and personal property of the Corporation to secure such notes, debentures, bonds, instruments or other obligations.

5. To merge into, or consolidate with, and to enter into agreements and cooperative relations, not in contravention of law, with any association or corporation; organized under or with reference to the laws of the Commonwealth of Puerto Rico or any other jurisdiction in connection with any business, object, purpose or power of the Corporation.

6. To draw, make, accept, endorse, discount, execute, and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or transferable instruments and evidences of indebtedness, whether secured by mortgage or otherwise, as well as to secure the same by mortgage or otherwise, so far as may be permitted by the laws of the Commonwealth of Puerto Rico.

7. To take, purchase, or otherwise acquire, and to own, hold, sell, convey, exchange, hire, lease, pledge, mortgage and otherwise deal in and dispose of such personal property, chattels, real rights, easements, privileges, choses in action, notes, bonds, mortgages and securities as may lawfully be acquired, held, or disposed of by it under the laws of the United States and the Commonwealth of Puerto Rico.

8. To make, enter into, perform, and carry out contracts for constructing, building, altering, improving, decorating, maintaining, furnishing, and fitting up buildings, tenements, and structures of every description, and to advance money to and enter into agreements of all kinds, with builders, contractors, property owners, and others, for said purposes.

9. To purchase, take, receive, subscribe, for or otherwise acquire, and to own, hold, vote, use employ, pledge, sell, mortgage, loan, exchange, or otherwise dispose of, and deal in and with securities (which term, for the purpose of this Section, shall include any shares of stock, bonds, securities, evidences of indebtedness, or other interests in debentures, notes, mortgages, or other obligations and any certificates, receipts or other instruments representing rights or warrants to receive, purchase or subscribe for the same, or representing any other rights or interests therein or in any property or assets) created or issued by any person, firm, association, corporation or governmental body, and while the holder thereof to exercise all the rights, powers and privileges in respect thereof, including the right to vote, to the same extent as a natural person might or could do.

10. To carry out all or any of the foregoing objects and purposes as principal or agent, to the extent now or hereafter permitted by the laws of the Commonwealth of Puerto Rico; and in connection therewith to make or enter into, perform, and carry out contracts of every kind and description, not prohibited by law, with any persons, firms, associations, corporations, government department, political subdivision, agency or instrumentality thereof, to guarantee the contracts or obligations, and the payment of interest or dividends or securities of any other person, firm, association, corporation or governmental body, and to do such acts and things, and to exercise such powers, as a natural person could lawfully make, enter into, do or exercise.

11. To do any and all such further acts and things and to exercise any and all such further powers as may be necessary, appropriate, or desirable for the accomplishment, carrying out for attainment of all or any of the foregoing purposes or objects herein enumerated, or designed directly or indirectly to promote the interest of the Corporation or to enhance the value of its properties; and in general, to do any and all things and exercise any and all powers, rights, and privileges which a corporation may now or hereafter be organized to do or to exercise under the laws of the Commonwealth of Puerto Rico.

The foregoing objects and purposes shall, except where otherwise expressed, be in no way limited or restricted by reference to, or inference from, the terms of any other clause or provision of these Articles of Incorporation, and shall each be regarded as independent, and construed as powers as well as objects and purposes. The Corporation shall be authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred upon, corporations of a similar character by the laws of the Commonwealth of Puerto Rico now or hereafter in force, and the enumeration of the foregoing powers shall not be deemed to exclude or waive any powers, rights or privileges so granted or conferred. However, all the powers, rights and privileges granted to the Corporation, including those above listed by way or illustration, shall be always understood to be subject to the limitation that the Corporation shall not operate or exist for pecuniary profit.

ARTICLE VIII. RESTRICTIONS AND LIMITATIONS

The powers and activities of the Corporation will be subject to the following restrictions and limitations:

1. No capital stock. The Corporation will have no authority to issue capital stock.
2. Prohibition Against Sharing in Corporate Earnings. No member, director, officer, or employee of or member of a committee of or person connected with the Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the distribution of any of the Corporate assets upon the dissolution or liquidation of the Corporation.
3. Political Activities Prohibited. The Corporation shall be non-partisan, non-sectional and non-sectarian and shall take no part in or lend its influence or facilities to the nomination, election or appointment of any candidate for public office.
4. Tax Exempt Activities. No member, director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 1101.01 of the PR Code and applicable Puerto Rico Treasury regulations as they now exist or as they may be amended.
5. Dissolution or Liquidation of Corporation. In the event of the voluntary or involuntary liquidation or dissolution of the Corporation, no person or entity shall be entitled as such to any distribution or division of its remaining property or its proceeds, and the balance of all money, and other property received by the Corporation from any source after payment of all debts and obligations of the Corporation, shall be used or distributed for one or more tax exempt purposes, or to the Government of Puerto Rico and/or any of its political subdivisions, or the Government of the United States of America or any of its states or local governments, or distributed by a court with competent jurisdiction to such other organizations which are exempt under Section 1101.01 of the PR Code, to be used in furtherance, under the best judgment of said court, of the general purposes for which the Corporation was organized.

ARTICLE IX. BYLAWS AND AMENDMENTS

The Board of Directors is fully empowered to approve or amend the Bylaws of the Corporation subject to the limitations and rights of approval included therein.

These Articles of Incorporation may be amended from time to time as set forth in the Bylaws.

ARTICLE X. INCORPORATORS

The names and addresses of the incorporators are as follows:

<u>NAME</u>	<u>ADDRESS</u>
José Sauri	Suite 920, Chase Manhattan Bank Bldg., San Juan, Puerto Rico
Elsa B. Hunt	Suite 920, Chase Manhattan Bank Bldg., San Juan, Puerto Rico
Marjorie Rivera	Suite 920, Chase Manhattan Bank Bldg., San Juan, Puerto Rico