

AMENDED AND RESTATED
BY-LAWS
OF
THE MUTUAL WATER COMPANY OF THE STRICKLAND TRACT

Table of Contents

ARTICLE I OFFICE.....	3
Section 1.1 LOCATION.....	3
ARTICLE II MEMBERS	3
Section 2.1 MEMBERSHIP.....	3
Section 2.2 TERMINATION OF MEMBERSHIP.....	3
Section 2.3 VOTING RIGHTS.....	4
Section 2.4 SHARE CERTIFICATES.....	4
Section 2.5 PLURAL MEMBERSHIP.....	4
Section 2.6 ASSESSMENTS.....	4
Section 2.7 ENFORCEMENT OF PAYMENT OF ASSESSMENTS.....	4
Section 2.8 SHAREHOLDER RULES; ENFORCEMENT.....	4
ARTICLE III MEETINGS OF SHAREHOLDERS.....	5
Section 3.1 PLACE OF MEETINGS.....	5
Section 3.2 ANNUAL MEETINGS.....	6
Section 3.3 SPECIAL MEETINGS.....	6
Section 3.4 NOTICES OF MEETINGS.....	6
Section 3.5 NOTICE OF CERTAIN AGENDA ITEMS.....	7
Section 3.6 QUORUM.....	7
Section 3.7 ADJOURNMENT.....	8
Section 3.8 WAIVER OF NOTICE; CONSENT OF ABSENTEES.....	8
Section 3.9 PROXIES.....	9
Section 3.10 ACTION WITHOUT MEETING.....	9
Section 3.11 VOTING REQUIREMENTS.....	10
ARTICLE IV DIRECTORS	10
Section 4.1 POWERS.....	10
Section 4.2 NUMBER AND QUALIFICATIONS OF DIRECTORS.....	11
Section 4.3 ELECTION AND TERM OF OFFICE.....	11
Section 4.4 NOMINATIONS AND SOLICITATIONS FOR VOTES.....	11
Section 4.5 VACANCIES.....	11
Section 4.6 PLACE OF MEETING.....	13

Section 4.7	ORGANIZATIONAL MEETING.....	13
Section 4.8	SPECIAL MEETINGS - NOTICE.....	13
Section 4.9	WAIVER OF NOTICE.....	13
Section 4.10	QUORUM.....	14
Section 4.11	ADJOURNMENT.....	14
Section 4.12	ACTION WITHOUT MEETING.....	14
Section 4.13	FEEES AND COMPENSATION OF DIRECTORS.....	14
Section 4.14	PRESIDENT OF THE BOARD.....	15
Section 4.15	ATTENDANCE AT MEETINGS OF THE BOARD.....	15
ARTICLE V	OFFICERS.....	15
Section 5.1	OFFICERS.....	15
Section 5.2	ELECTION OF OFFICERS.....	16
Section 5.3	REMOVAL OF OFFICERS.....	16
Section 5.4	RESIGNATION OF OFFICERS.....	16
Section 5.5	OFFICER'S VACANCIES.....	16
Section 5.6	RESPONSIBILITIES OF OFFICERS.....	16
Section 5.7	COMPENSATION OF OFFICERS.....	19
ARTICLE VII	INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.....	19
Section 6.1	DEFINITIONS.....	19
Section 6.2	SUCCESSFUL DEFENSE BY AGENT.....	20
Section 6.3	ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION.....	20
Section 6.4	ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION.....	20
Section 6.5	DETERMINATION OF AGENT'S GOOD FAITH CONDUCT.....	21
Section 6.6	LIMITATIONS.....	22
Section 6.7	ADVANCE OF EXPENSES.....	22
Section 6.8	CONTRACTUAL RIGHTS OF NONDIRECTORS AND NONOFFICERS.....	22
Section 6.9	INSURANCE.....	22
ARTICLE VII	RECORDS AND REPORTS.....	22
Section 7.1	INSPECTION RIGHTS.....	22
Section 7.2	MAINTENANCE AND INSPECTION OF ARTICLES AND BY-LAWS.....	23
Section 7.3	MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.....	23
Section 7.4	INSPECTION BY DIRECTORS.....	24
Section 7.5	ANNUAL REPORT TO SHAREHOLDERS.....	24
ARTICLE VIII	RECORD DATE AND CLOSING MEMBERSHIP REGISTER.....	25
Section 8.1	RECORD DATE FOR NOTICE.....	25
Section 8.2	RECORD DATE FOR VOTING.....	25
Section 8.3	RECORD DATE FOR WRITTEN BALLOTS OR CONSENTS.....	25
Section 8.4	CESSATION OF OWNERSHIP INTEREST.....	25

ARTICLE IX	ENFORCEMENT	26
Section 9.1	ENFORCEMENT/ATTORNEY'S FEES	26
Section 9.2	SUSPENSION OF VOTING RIGHTS	26
ARTICLE X	26
AMENDMENTS	26
Section 10.1	POWER TO AMEND.....	26
Section 10.2	AMENDMENT BY SHAREHOLDERS.....	26
Section 10.3	AMENDMENT BY DIRECTORS.....	26
ARTICLE XI	MISCELLANEOUS.....	27
Section 11.1	CHECKS AND DRAFTS.....	27
Section 11.2	CONTRACTS; HOW EXECUTED.....	27
Section 11.3	CONFLICTS.....	27
Section 11.4	CONSTRUCTION.....	27

ARTICLE I
OFFICE

Section 1.1 LOCATION.

The principal office for the transaction of the business of the corporation is hereby fixed and located within the Strickland Tract, or as close thereto as practical in the County of Ventura, State of California. The Board is hereby granted full power and authority to change said principal office from one location to another within said Strickland Tract.

ARTICLE II **MEMBERS**

Section 2.1 MEMBERSHIP

Every person or entity who is an owner of a residence within the Strickland Tract shall be a shareholder. The provisions of these By-Laws, which are binding upon all shareholders, shall also be subject to the terms and provisions of the Articles of Incorporation and Shareholder Rules.

Section 2.2 TERMINATION OF MEMBERSHIP.

Membership in the Corporation shall automatically terminate when such shareholder sells and transfers his residence.

Section 2.3 VOTING RIGHTS.

Each shareholder is entitled to one (1) vote per share on each matter submitted to a vote of the shareholders. Shares held by two or more persons or entities shall be indivisible and be entitled to but one (1) vote per share.

Section 2.4 SHARE CERTIFICATES.

In its discretion, the Board may, but need not, issue, appropriate share certificates evidencing membership in the corporation. If the Board elects to issue such certificates, they shall conform with the provisions of Section 7313(b) of the Nonprofit Mutual Benefit Corporation Law.

Section 2.5 PLURAL MEMBERSHIP.

A shareholder may own one (1) share in the corporation for each residence residential lot, or two shares per one-acre residential lot, owned by the Shareholder within Strickland Tract and shall have one (1) vote for each share held.

Section 2.6 ASSESSMENTS.

The shareholders shall be jointly, severally and personally liable for the payment of such assessments as may from time to time be fixed and levied by the Board pursuant to the provisions of these By-Laws.

Section 2.7 ENFORCEMENT OF PAYMENT OF ASSESSMENTS.

Should any member fail to pay his assessment before delinquency, the corporation, in the discretion of the Board, shall have the right to enforce payment of such delinquent assessments through appropriate legal action.

Section 2.8 SHAREHOLDER RULES; ENFORCEMENT.

The following provisions shall govern the promulgation of the Shareholder Rules which ~~shall may~~ include the establishment of a system of fines and fees or penalties, such as for late payment of water bills. ÷

A member may appeal fees or penalties to the Board based on extenuating circumstances, hardship, or if the fee structure was not clear. Any such appeal will be considered at the next scheduled Board meeting.

~~The Board in its discretion shall adopt such rules and regulations as are consistent with and in furtherance of existing law, the Articles and these By-Laws. Such rules and regulations shall take effect as the Shareholder Rules.~~

~~(a) The Board in its discretion shall adopt a list of specific fines and penalties for the violation by any shareholder of the provisions of the Articles, these By-Laws and the Shareholder Rules. Such fines and penalties shall be binding on all shareholders and shall be enforceable by the Board through a civil lawsuit to recover the fines and penalties enforced. Such a remedy shall not be deemed to be exclusive and the Board shall have such other remedies as are provided for by applicable law.~~

~~(b)(a) Any Shareholder Rules promulgated pursuant to this Section shall provide that no fine or penalty shall be levied without the following procedural safeguards:~~

~~(c)~~

~~(i) A written statement of the alleged violations shall be provided to any shareholder against whom such charges are made, and such written statement shall provide a date on which the charges shall be heard.~~

~~(ii) No proceeding under this Section shall be brought against any shareholder unless such shareholder shall have received a written statement of charges at least thirty (30) days prior to that hearing.~~

~~(iii) No proceeding shall be brought against any shareholder more than one hundred twenty (120) days after such shareholder is provided a written statement of charges.~~

~~(iv) The Board shall appoint a panel of three (3) capable persons (one of whom shall be designated a chairperson who may or may not be shareholders, and who shall hear the charges and evaluate the evidence of the alleged violation.~~

~~(v) At such hearing the shareholder so charged shall have the right to present oral and written evidence and to confront and cross-examine adverse witnesses.~~

~~(vi) The panel shall deliver to the shareholder so charged within seven (7) days after the hearing a written decision which specifies the fines or penalties levied, if any, and the reasons therefor.~~

~~(d) In the event that a shareholder shall correct an alleged violation prior to the hearing date, the Board shall discontinue the proceedings.~~

ARTICLE III MEETINGS OF SHAREHOLDERS

Section 3.1 PLACE OF MEETINGS.

All meetings of shareholders of the corporation shall be held at the principal office of the corporation, or at such other place in the County of Ventura as may be fixed from time to time by resolution of the Board.

Section 3.2 ANNUAL MEETINGS.

The annual meeting of the shareholders shall be held during the ~~month of March period between May 1st and August 30th~~ of each year on a date and at a time scheduled by the Board of Directors. ~~If the day for the annual meeting is a legal holiday, the meeting will be held on the same hour on the first day following which is not a legal holiday.~~

Section 3.3 SPECIAL MEETINGS.

Special meetings of the shareholders may be scheduled in response to:

(a) The vote for such a meeting by the Board itself;

~~(b) The President;~~

~~(c)~~(b) The Chairman-President of the Board;

~~(d)~~(c) Shareholders representing not less than five percent (5%) of the voting power- of the corporation.

If a special meeting is called by shareholders pursuant to subsection (d), the request shall be submitted by such shareholders in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail to the ~~Chairman-President of the Board, the President, any~~ Vice-President, or the Secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Section 3.4 of this Article III, that a meeting will be held, and the date for such meeting, which date shall be fixed by the Board for not less than thirty-five (35) nor more than ninety (90) days following the receipt of the request. If the notice is not given within the twenty (20) days after receipt of the request, the shareholders requesting the notice may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of shareholders may be held when the meeting is called by action of the Board.

Section 3.4 NOTICES OF MEETINGS.

Written notice of meetings, annual or special, shall be given to each shareholder entitled to vote by the Board either (1) personally or (b) by sending a copy of the notice through the first class mail, postage prepaid, to each such shareholder's address appearing on the books of the corporation, or supplied by each such shareholder to the corporation for the purpose of notice. If no such address appears on the books of the corporation or is supplied to the corporation by the shareholder, the notice ~~shall be mailed to the principal office of the corporation and~~ shall be published at least once in a newspaper of general circulation in the County in which the principal

office of the corporation is located. An affidavit of giving of any notice in accordance with the provisions of this part, executed by the Secretary, Assistant Secretary or any Transfer Agent, shall be prima facie evidence of the giving of the notice. All such notices shall be sent to each shareholder entitled thereto not less than ten (10) days nor more than ninety (90) days before each meeting; provided, however, that if notice is given by mail and not mailed by first class, registered or certified mail, notice shall be given no less than twenty (20) days before the meeting.

In the case of a special meeting, the notice shall state the general nature of the business to be transacted and that no other business may be transacted. In the case of an annual meeting, the notice shall specify those matters which the Board, at the time of the giving of the notice, intends to present for action by the corporation, but (except as provided in the California Nonprofit Mutual Benefit Corporation Law) any proper matter may be presented at the meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of all those which are nominees at the time the notice is sent to shareholders.

Section 3.5 NOTICE OF CERTAIN AGENDA ITEMS.

If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal:

- (a) Removing a director without cause;
- (b) Filling vacancies in the Board of the shareholders;
- (c) Amending the Articles of Incorporation, or the Bylaws;

(d) Approving a contract or transaction in which a director has a material financial interest.

Shareholder action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s).

Section 3.6 QUORUM.

~~The presence at the meeting of shareholders or proxies or any combination thereof, entitled to cast a majority of the voting power shall constitute a quorum for any action except as otherwise provided in the Articles or these By Laws. The presence of members at the meeting of shareholders or of representatives entitled to vote proxies, or any combination thereof, entitled to cast at least fifteen percent of the voting power shall constitute a quorum for any action notice of the general nature of which was given pursuant to providing the notice of the shareholder meeting.~~

In accordance with California Mutual Benefit Corporation Law, Section 5512, one-third of the voting power, represented in person or by proxy, shall constitute a quorum at a meeting of members for any action for which prior notice of the general nature was not given pursuant to providing the notice of the shareholder meeting.

If any meeting cannot be held because a quorum is not present, ~~the shareholders present, either in person or by proxy, may conduct~~ no business may be conducted other than to adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. Except where a greater portion of the voting power is required by the Articles or these By-Laws, the majority of the voting power present, in person or by proxy, shall prevail at all meetings. The shareholders present at a duly called or held meeting at which a quorum is present may continue to transact business notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shareholders required to constitute a quorum.

Section 3.7 ADJOURNMENT.

In the absence of a quorum in a meeting of the corporation, or when a shareholders meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting in which the adjournment is taken. No meeting may be adjourned for more than forty-five (45) days. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each shareholder who, on the record date for the notice of a the meeting, is entitled to vote at the meeting.

Section 3.8 WAIVER OF NOTICE; CONSENT OF ABSENTEES.

The transaction of any business at any meeting of the shareholders, either annual or special, however called or noticed, shall be valid as though taken at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the shareholders entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or approval of the minutes thereof. The waiver of notice or consent need not specify the business to be transacted or the purpose of the meeting, except where action is taken proposed to be taken on items in Section 3.5 above. In such case, such waiver or consent must state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the records of the corporation or made part of the minutes of the meeting. Attendance of a shareholder at a meeting

shall constitute a waiver of notice of and presence at such meeting, except when the shareholder objects, at the beginning of the meeting, to the transaction of any business because the meeting is not legally called or noticed.

Section 3.9 PROXIES.

Every shareholder entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such shareholder, or by an agent or agents authorized by a written proxy executed by such shareholder or his duly authorized agent and filed with the Secretary of the corporation.

No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution.

A validly executed proxy shall continue in full force and effect unless:

(a) Revoked by the shareholder executing it, before the vote cast pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by such shareholder and presented at a meeting, or, as to any meeting, by personal attendance and voting at that meeting by such shareholder;

(b) Written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote pursuant to that proxy is counted; or

(c) The Shareholder's membership in the corporation ceases, in which case the proxy shall automatically and immediately terminate.

There shall be no irrevocable proxies.

Section 3.10 ACTION WITHOUT MEETING.

Unless otherwise provided in the Articles:

(a) With the exception of the election of directors, any other action which may be taken at any annual or special meeting of shareholders may be taken without a meeting if ballots and/or consents (in writing) setting forth the action so taken are signed by the shareholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shareholders entitled to vote thereon were present and voted.

(b) All such written ballots and/or consents shall be filed with the Secretary of the corporation.

(c) The Board shall fix a record date for the determination of shareholders entitled to give such written

ballot and/or consents, as provided in Article VIII of these By-Laws entitled "RECORD DATE AND CLOSING MEMBERSHIP REGISTER".

(d) Approval by written ballot and/or consent pursuant to this Section shall be valid only if the written ballot and/or consent of every shareholder is solicited.

~~(e)~~—Any shareholder giving a written ballot and/or consent, or the shareholder's proxy holder(s), or a transferee of the shareholder or a personal representative of the shareholder, or their respective proxy holder(s), may revoke the ballot or consent by a writing received by the corporation prior to the time that the written ballot and/or consents of the number of shareholders required to authorize a proposed action have been filed with the Secretary of the corporation, but may not do so thereafter. Such revocation, if timely, is effective upon its receipt by the Secretary of the corporation.

(f) All ballots and/or consents solicited shall be done so in a manner consistent with the requirements for notice of a regular or special meeting, as set forth in Section 3.4 above. All such solicitations shall indicate the number of responses needed to meet the quorum requirements and, with respect to ballots and/or consents other than for the election of directors shall state the percentage of approval necessary to pass the measures submitted. The solicitation must specify the time by which the ballot and/or consent must be received in order to be counted.

Section 3.11 VOTING REQUIREMENTS.

If a quorum is present at a meeting of the corporation, the affirmative vote of a majority of the voting power represented at the meeting entitled to vote and voting on any matter shall be required in order to authorize, approve or sustain actions of the corporation, unless the vote of a greater number as required by law.

ARTICLE IV DIRECTORS

Section 4.1 POWERS.

In addition to the powers and duties of the Board as set forth in the Articles, or elsewhere in these By-Laws, and subject to the limitations of the Articles, these By-Laws and of the California Nonprofit Mutual Benefit Corporation Law as to the actions to be authorized or approved by the shareholders, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board. Without prejudice to the general powers, but subject to the same limitations, the Board is vested with and shall have the following powers;

(a) To appoint and remove all officers, agents and employees of the corporation, to prescribe such powers and duties for them as may be consistent with the law, with the Articles and/or these By-Laws, to fix the compensation of agents

and employees and to require from them security for faithful service when deemed advisable by the Board;

(b) To conduct, manage and control the affairs and business of the corporation, and to enforce such rules and regulations therefor consistent with the law, the Articles and/or these By-Laws as the Board may deem necessary or advisable;

c) To adopt, use, and/or modify the form of a corporate seal.

Section 4.2 NUMBER AND QUALIFICATIONS OF DIRECTORS.

The Board shall consist of five (5) directors until changed by an amendment of this Section by the By-Laws, fixing or changing such number, but in no event shall there be less than three (3). No person may serve as a director without being a shareholder.

Section 4.3 ELECTION AND TERM OF OFFICE.

Directors shall be elected for two year terms with two being elected in the even numbered years and three being elected in the odd numbered years. Election of directors shall be by secret written ballot if requested by any shareholder present at the election meeting, or may otherwise be by voice vote. All directors shall hold office until their respective successors are elected. Notice of such meetings where elections are held shall include notice of such elections.

Section 4.4 NOMINATIONS AND SOLICITATIONS FOR VOTES.

(a) Nominations by Shareholders.

Shareholders representing two percent (2%) of the membership may nominate candidates for directorships not later than fifty (50) days preceding such election. On timely receipt of a petition signed by the required number of shareholders, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with those candidates named by the Nominating Committee.

(b) Nominations from the Floor.

If there is a meeting to elect directors, any shareholder present at the meeting, in person or by proxy, may place names in nomination.

Section 4.5 VACANCIES.

(a) In General.

A vacancy or vacancies on the Board shall be deemed to exist on the occurrence on one of the following:

(i) The death, resignation, or removal of any director;

(ii) The declaration by resolution of the Board of a vacancy of an office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order of judgment of any court to have breached a duty under Section 7230 and following of the California Nonprofit Mutual Benefit Corporation Law;

(iii) A vote of the majority of the shareholders at a meeting properly noticed and for which notice is given to the director(s) whose removal is being considered at said meeting;

(iv) If the shareholders shall increase the authorized number of directors but fail to elect the additional directors as provided for at the meeting in which such increase is authorized, or at an adjournment thereof; and

(v) In cases where the shareholders fail to at any time elect the full number of the authorized directors.

(b) Removal.

An individual director may be removed upon the majority vote of the-voting power of the Corporation.

(c) Resignations.

Except as provided otherwise in these By-Laws, any director may resign, which resignation shall be effective on giving written notice to the ~~Chairman~~ President of the Board, the President, the Secretary, or the Board, unless the notice specifies a later time for the resignation to become effective.

(d) Vacancies filled by Board.

Vacancies on the Board may be filled by a vote of a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual meeting of the shareholders, or at a special meeting called for that purpose. Notwithstanding the foregoing provisions of this Subsection, vacancies occurring in the Board by reason of the removal of a director or directors may be filled only by a vote of the shareholders in accordance with Subsection (b), above.

(e) Vacancies filled by Shareholders.

The shareholders may, at any time, elect directors to fill any vacancy not filled by the directors, and, in the event the number of directors is increased, may elect the additional directors at the meeting at which the amendment of the By-Laws is voted authorizing the increase in the number of directors.

(f) No Vacancy on Decrease in Number.

No reduction of the number of directors shall have the effect of removing any director prior to the expiration of

his or her term of office.

Section 4.6 PLACE OF MEETING.

All meetings of the Board shall be held at the principal office of the corporation, or at any other place or places designated from time to time by resolution of the Board or by written consent of all directors.

Section 4.7 ORGANIZATIONAL MEETING.

Immediately following each annual meeting of the Members, the Board shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meeting shall not be required.

Section 4.8 SPECIAL MEETINGS - NOTICE.

Special meetings of the Board of Directors for any purpose may be called at any time by the President or by any two (2) directors other than the President.

Notice of the time and place of special meetings shall be given to each director by one of the following methods:

- (a) By personal delivery or written notice;
- (b) By first class mail, postage prepaid;
- (c) By telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or
- (d) By telegram, charges prepaid.

All such notices shall be given or sent to the director's address or telephone number as shown in the records of the corporation.

Notice shall be given not less than ten (10) days nor more than ninety (90) days prior to such meeting; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than twenty (20) days before the meeting.

The notice shall state the time and place for the meeting and the nature of any special business to be considered. A copy of the notice shall be posted in the manner prescribed for posting notices of regular meetings.

Section 4.9 WAIVER OF NOTICE.

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if:

- (a) A quorum is present; and

(b) Either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes.

The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of the meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 4.10 QUORUM.

A majority of the number of directors as fixed by the Articles or these By-Laws shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision made or done by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law.

A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action is approved by at least a majority of the required quorum for that meeting.

Section 4.11 ADJOURNMENT.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the time and place of holding of an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place to which the meeting is adjourned shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 4.12 ACTION WITHOUT MEETING.

Notwithstanding anything to the contrary contained in these By-Laws, any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 4.13 FEEES AND COMPENSATION OF DIRECTORS.

No director shall receive any salary for his services as a director. Nothing herein contained shall be construed to preclude any director from serving the Association as agent, counsel, or in any capacity other than as a director, including

the offices of Chief Financial Officer or Secretary (for which compensation is established by Section 5.7 of these Bylaws), or as an employee (e.g., water system operator), or contractor, and receiving compensation therefor, nor from being reimbursed for expenses incurred in the corporation's business. Where a director is also an employee or contractor, that director shall abstain in any vote of the Board setting compensation for his services as an employee or contractor.

~~Such reimbursement for expenses shall be in an amount as may be determined by resolution of the Board to be just and reasonable. Amounts of such reimbursement shall be reported annually to shareholders per Section 7.5. Such compensation shall be paid only if approved by a vote of a majority of the voting power of the corporation.~~

Section 4.14 CHAIRMAN-PRESIDENT OF THE BOARD.

The members of the Board shall elect one of their number to act as ~~Chairman~~Chair (President). The ~~Chairman~~Chair shall preside at all meetings of the Board. The Board shall also elect one of their number to act as Vice-~~Chairman~~President. In the event the ~~Chairman~~Chair is unable to preside at a meeting, the Vice-~~Chairman~~President shall assume that duty.

Section 4.15 ATTENDANCE AT MEETINGS OF THE BOARD.

Regular and special meetings of the Board shall be open to all shareholders of the corporation; provided, however, that shareholders who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of the majority of the quorum of the directors. The Board may, with the approval of the majority of the quorum of the directors, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the corporation is or may become involved and other business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE V OFFICERS

Section 5.1 OFFICERS.

The officers shall be the President and Vice-President (both of whom shall at all times also be directors), the Secretary and the Chief Financial Officer. All officers shall be elected by and shall hold office at the pleasure of the Board. Any two (2) or more of such offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as ~~either the President or the Chairman~~Chair of the Board.

Section 5.2 ELECTION OF OFFICERS.

The officers of the corporation shall be chosen annually by the Board and each shall hold his or her office, at the pleasure of the Board, until he or she shall resign or shall be removed or otherwise be disqualified to serve.

Section 5.3 REMOVAL OF OFFICERS.

Any officer may be removed, with or without cause, by the vote of a majority of all of the directors then in office at any regular or special meeting of the Board in which a quorum is present.

Section 5.4 RESIGNATION OF OFFICERS.

Any officer may resign at any time by giving written notice to the ~~Chairman-President~~ of the Board and to the ~~President~~ or Secretary of the corporation. Any such resignation shall take effect as of the date of receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 5.5 OFFICER'S VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these By-Laws for regular appointments to such office.

Section 5.6 RESPONSIBILITIES OF OFFICERS.

(a) President.

~~Subject to any supervisory powers as may be given by the Board or these By-Laws to the Chairman~~ The President of the Board, ~~the President~~ shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the corporation. He or she shall preside at all meetings of the shareholders, and, ~~in the absence of the Chairman of the Board,~~ at all meetings of the Board of Directors, or in his absence the Vice President shall preside. The President may, but need not, be the Chairman of the Board. He or she The President shall be an ex officio member of all executive committees, if any, and The President shall have the general powers and duties of management usually vested in the office of the President of a corporation. The President shall have any other powers and duties prescribed by the Board or these By-Laws.

(b) Vice-President.

In the absence or disability of the President, the Vice-President shall perform all of the duties of the President,

and, when so acting, shall have all the powers of, and be subject to all of the restrictions upon the office of the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, the ~~Chairman~~ President of the Board or these By-Laws.

(c) Secretary.

The Secretary shall attend to the following:

(1) ~~Book of~~ Minutes.

The Secretary shall keep or cause to be kept, at the principal executive office or other such place as the Board may direct, ~~a book~~ records of minutes of all meetings and actions of directors, committees of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized; the notice given, the names of those present at such meetings, the number of shareholders present or represented at shareholders' meetings and the proceedings of such meetings.

(2) Shareholders' Records.

The Secretary shall keep, or otherwise cause to be kept, at the principal executive office, as determined by resolution of the Board, a record of the corporation's shareholders, showing the names of all shareholders, their addresses, the property to which each shareholder relates, the number of shares held by each shareholder, the number of votes represented by each shareholder, the number and date of share certificates issued, if any, and the number and date of cancellation of shareholder certificates if any.

(3) Members of the Board.

The Secretary shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the Board, the names and addresses of all members of the Board.

(4) Notices, Seal and Other Duties.

The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and the Board required by the By-Laws or by law to be given, and he or she shall keep the seal of the corporation in safe custody. He or she shall have such other powers and perform such other duties as may be prescribed by the Board or by these By-Laws.

Specific duties of the Secretary for which compensation is set in Section 5.7 include:

- Act as the principal point of contact for written correspondence to and from the ~~Water Company~~ Corporation.
- Retain records of correspondence.
- Retain all other Water Company records.

- Prepare minutes of Board meetings and the Annual General Meeting; distribute draft copies to the other Board members following Board meetings.
- Prepare for Board meetings by (1) making paper copies of draft minutes of the previous meeting, (2) making copies of correspondence or other materials as appropriate for Board consideration, (3) if requested by the President, preparing an agenda for the meeting.
- Prepare for Annual General Meetings by preparing copies of tax and financial statements and other materials as appropriate.

(d) Chief Financial Officer (Treasurer).

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be kept open at all reasonable times to inspection by any director or by any shareholder. The Chief Financial Officer (or other delegated individual) shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be prescribed by the Board. The Chief Financial Officer shall disburse the funds of the corporation as may be ordered by the Board; shall render to the President and the Board, whenever so requested, an account of all of his or her transactions as Chief Financial Officer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

If required by the Board, the Chief Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faith or performance of the duties of his or her office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement or removal from office.

Specific duties of the Chief Financial Officer (Treasurer) for which compensation is set in Section 5.7 include but are not limited to:

- Review and make or provide for timely payment of bills and financial obligations of ~~Strickland Mutual Water Cothe Corporation~~. Retain records of payments.
- Keep accounts of company finances using appropriate computer software that will facilitate electronic transfer quarterly or annually to a certified public accountant for use in preparation of statements and tax returns.

- Reconcile the Water Company account records with financial institution statements. Prepare balance sheet and profit and loss statements quarterly and annually, or as requested by the President, for consideration by the Board.
- Present the status of Water Company finances at the Annual General Meeting, including the information listed in Section 7.5 of these Bylaws.
- Act as the principal point of contact for financial questions and communications with the accounting firms and payroll service firms that are providing services to ~~Strickland Mutual Water Cothe~~ Corporation.

Section 5.7 ~~FEES AND~~ COMPENSATION OF OFFICERS.

No officer shall receive any salary for his or her services as an officer other than as set forth in this Section.

All dollar amounts in this section are stated in 2012 dollars and shall be adjusted annually, or less frequently as the Board may determine, for inflation based on the consumer price index.

The Board may provide for fair and reasonable compensation for offices of the Secretary, and the Treasurer (Chief Financial Officer), however compensation for the Secretary shall not exceed \$2,400 annually, and compensation for the Treasurer shall not exceed \$1,800 annually, in 2012 dollars adjusted for inflation.

Nothing herein contained shall be construed to preclude any officer from being reimbursed for expenses incurred in or for the business. Such reimbursement for expenses shall be in an amount as may be determined by resolution of the Board to be just and reasonable. Amounts of such reimbursement shall be reported annually to shareholders per Section 7.5.

ARTICLE VII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 6.1 DEFINITIONS.

For purposes of this Article:

(a) "Agent" means any person who is or was a director, officer, employee or other agent of the corporation;

(b) "Proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative; and

(c) "Expenses" includes, without limitation, all attorney's fees, costs, and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorney's fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

Section 6.2 SUCCESSFUL DEFENSE BY AGENT.

To the extent that an agent of the corporation has been successful on the merits in any defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claims or sustains a judgment rendered against him, then the provisions of Section 6.3 through 6.5 below shall determine whether the agent is entitled to indemnification.

Section 6.3 ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION.

Subject to the required findings to be made pursuant to Section 6.5 below, the corporation shall indemnify any agent who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, the corporation, or by an officer, director or person granted related status by the Attorney General of the State of California ("Attorney General"), or by the Attorney General on the ground that the defendant director was or is engaging in self-dealing within the meaning of California Corporations Code, Section 5233, or by the Attorney General or a person-granted related status by the Attorney General for any breach of duty relating to assets held in charitable trust, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

Section 6.4 ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION.

(a) Claims Settled Out of Court.

If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding.

(b) Pending Claims and Judgments Awarded.

The corporation shall indemnify any agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of the Corporation for all expenses actually and reasonably

incurred in connection with the defense of that action, provided that both of the following conditions are met:

(i) The determination of good faith conduct required by Section 6.5 below must be made in the manner provided for in that section; and

(ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 6.5 DETERMINATION OF AGENT'S GOOD FAITH CONDUCT.

The indemnification granted to an agent in Sections 6.3 and 6.4 above is conditioned on the following:

(a) Required Standard of Conduct.

The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner the agent believed to be in the best interest of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of the corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have additionally had no reasonable cause to believe that his conduct was unlawful.

(b) Manner of Determination of Good Faith Conduct.

The determination that the agent did act in a manner complying with Subsection (a) above shall be made by:

(i) The Board by a majority vote of a quorum consisting of directors who are not parties to the proceeding; or

(ii) The affirmative vote (or written ballot in accord with Section 3.10 above) of a majority of the votes represented and voting at a duly held meeting of the shareholders at which a quorum is present, with the agent(s) to be indemnified not being entitled to vote thereon; or

(iii) The court in which the proceeding is or was pending. Such determination may be made on application brought by the corporation or the agent or the attorney or other person rendering a defense for the agent, whether or not the application by the agent, attorney, or other person is opposed by the corporation.

Section 6.6 LIMITATIONS.

No indemnification or advance shall be made under this Article, except as provided in Sections 6.2 or 6.5, in any circumstance when it appears:

(a) That the indemnification or advance would be inconsistent with a provision of the Articles, these By-Laws, a resolution of the shareholders, or an agreement was in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibited or otherwise limited indemnification; or

(b) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 6.7 ADVANCE OF EXPENSES.

Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 6.8 CONTRACTUAL RIGHTS OF NONDIRECTORS AND NONOFFICERS.

Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers of the corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

Section 6.9 INSURANCE.

The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against that liability under the provisions of this section.

ARTICLE VII RECORDS AND REPORTS

Section 7.1 INSPECTION RIGHTS.

Any shareholder of the corporation may:

(a) Inspect and copy the records of shareholders' names and addresses and voting rights during usual business hours on five (5) days' prior written demand on the corporation,

stating the purpose for which the inspection rights are requested; and

(b) Obtain from the Secretary of the corporation, on written demand and on the tender of the Secretary's usual charges for such a list, if any, a list of names and addresses of shareholders who are entitled to vote for the election of directors, and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the shareholder after the date of demand. The demand shall state the purpose for which the list is requested. This list shall be made available to any such shareholder by the Secretary on or before the later of ten (10) days after the demand is received or the date specified in it as the date by which the list is to be compiled.

Any inspection and copying under this section may be made in person or by an agent or attorney of the shareholder and the right of inspection includes the right to copy and make extracts.

Section 7.2 MAINTENANCE AND INSPECTION OF ARTICLES AND BY-LAWS

The corporation shall keep at its principal executive office, the original or a copy of the Articles and By-Laws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours.

Section 7.3 MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS

The accounting books, records, and minutes of proceedings of the shareholders and the Board and any committee(s) of the Board shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal executive office of the corporation. The minutes, ~~shall be kept in written or typed form,~~ and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. The minutes and accounting books and records shall be open to inspection on the written demand to the Secretary by any shareholder, at any reasonable time during usual business hours, for a purpose reasonably related to the shareholder's interests as a shareholder. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. The Board shall establish reasonable rules with respect to the notice to be given to the Secretary by any shareholder desiring to make such an inspection. These rules shall relate to the hours of the day and days of the week when such an inspection may be made and the payment of the cost of reproducing copies of documents requested by a shareholder.

Records shall be retained for ten years, or for a longer period as standard business practices, law, or prudence shall require. Records relating to the incorporation of the company, and the company bylaws shall be retained permanently. Records including payoff statements relating to deeds on company property shall be retained as long as the company owns the subject property. Records

relating to loans or other ongoing financial transactions shall be retained as long as the loan or transaction is in effect.

Section 7.4 INSPECTION BY DIRECTORS.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 7.5 ANNUAL REPORT TO SHAREHOLDERS

The annual report to shareholders referred to in the California Nonprofit Mutual Benefit Corporation Law is expressly dispensed with, but nothing in these By-Laws shall be interpreted as prohibiting the Board from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate. However, the corporation shall provide to all shareholders, within one hundred twenty (120) days of the close of its fiscal year, a report containing the following information in reasonable detail:

(a) The assets and liabilities, including the trust funds, if any, of the corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds of the corporation, during the fiscal year;

(c) The revenue of receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year; including a summary of Director, Officer, and employee and contractor compensation, wages, and reimbursements for expenses; and

~~(d)~~(e) Any information required by the California Nonprofit Mutual Benefit Corporation Law, in particular, Section 8322 thereof.

Unless said report is independently audited ~~in accordance with the requirements of Section 7.6, ANNUAL INDEPENDENT AUDIT~~, it shall be accompanied by a certificate of the Chief Financial Officer stating statement that the report was prepared from the books and records of the corporation without independent audit or review.

Section 7.6 ANNUAL RECONCILIATION OF ACCOUNTS INDEPENDENT AUDIT.

An annual reconciliation of accounts shall be performed by a certified public accountant.

~~independent audit of the account or accounts of the corporation or any management body shall be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy, for any fiscal year in which the corporation's gross income exceeds Seventy Five Thousand Dollars (\$75,000.00). A copy of such audit shall accompany the annual report.~~

ARTICLE VIII RECORD DATE AND CLOSING MEMBERSHIP REGISTER

Section 8.1 RECORD DATE FOR NOTICE.

The Board may fix, in advance, a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders of the corporation. Such record date shall not be more than sixty (60) nor less than ten (10) days before the date of the meeting with respect to which the notice will be given.

Section 8.2 RECORD DATE FOR VOTING.

The record date for determining shareholders entitled to vote at a meeting of shareholders of the corporation shall be the close of business on the date immediately preceding the meeting, or, in the event of an adjournment, at the close of business on the date immediately preceding the adjourned meeting.

Section 8.3 RECORD DATE FOR WRITTEN BALLOTS OR CONSENTS.

The record date for determining shareholders entitled to cast written ballots or consents pursuant to Section 3.10 above shall be at the close of business on the date immediately preceding the date by which the written ballots or consents must be returned to the corporation; predetermining the record date for determining the shareholders from whom written ballots or consents must be solicited shall be not more than sixty (60) days prior to the date by which the written ballots or consents must be returned to the corporation nor less than the close of business on the date immediately preceding the date on which the written ballots or consents are first mailed or solicited.

Section 8.4 CESSATION OF OWNERSHIP INTEREST.

No person shall be entitled to vote at a meeting of shareholders of the corporation, or to have his written ballot or consent count for any purpose, even if he or she was a member on the record date for purposes of such a vote or action, if the ownership interest or interests entitling him to membership

ceases prior to the holding of the meeting or the time the written ballots or consents are to be returned.

ARTICLE IX ENFORCEMENT

Section 9.1 ENFORCEMENT/ATTORNEY'S FEES

The Corporation is hereby vested with the right and power to bring, at its option, any and all actions against any shareholder for the collection of assessments and fees charged for the delivery of water which are not paid when due, and to enforce collection of the assessments and fees by all methods available for the enforcement of contractual obligations, including the right to bring a personal action against the shareholder for such debt. All rights and remedies granted to the corporation hereunder shall be cumulative and the exercise of one or more rights or remedies shall not constitute a waiver or election preventing the use of other rights or remedies. The corporation shall be entitled to collect from the defaulting member all costs and attorney's fees incurred in connection with any legal action commenced for the purpose of collecting said assessments and/or fees.

Section 9.2 SUSPENSION OF VOTING RIGHTS.

During any period in which a shareholder shall be in default in the payment of any assessment or fee, the voting rights of the shareholder may be suspended by the Board until such assessment or fee has been paid.

ARTICLE X

AMENDMENTS

Section 10.1 POWER TO AMEND.

The By-Laws may be adopted, amended or appealed by approval of the shareholders, except as limited by these By-Laws and the California Mutual Benefit Corporation Law, including, but not limited to, Section 7150 thereof.

Section 10.2 AMENDMENT BY SHAREHOLDERS.

These By-Laws may be amended only with the vote or written consent of shareholders representing more than fifty percent (50%) of the total voting power of the corporation.

Section 10.3 AMENDMENT BY DIRECTORS.

The Board, with the approval of a majority of the voting power of the corporation, may adopt, amend or repeal any of these By-Laws at any regular or special meeting of the Board, except where limited by these By-Laws or the California Nonprofit Mutual Benefit Corporation Law.

ARTICLE XI MISCELLANEOUS

Section 11.1 CHECKS AND DRAFTS.

All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such officer or officers and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 11.2 CONTRACTS; HOW EXECUTED.

The Board, except as in these By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 11.3 CONFLICTS.

In the case of any conflict between the Articles and these By-Laws, the Articles shall control.

Section 11.4 CONSTRUCTION.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these By-Laws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

CERTIFICATE OF SECRETARY (Will be Updated)

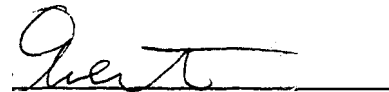
I, the undersigned, certify that I am the presently elected and acting Secretary of MUTUAL WATER COMPANY OF THE STRICKLAND TRACT, a California nonprofit mutual benefit corporation, and the above By-Laws, consisting of 27 pages, are the Amended and Restated By-Laws of this corporation as adopted at a meeting of the Board of Directors held on M a y
2 5 , 1989.

DATED :

EXECUTED AT :

4908 Strickland Drive

Paul D. Wilvert
SECRETARY

A handwritten signature in black ink, appearing to read "Paul D. Wilvert", written over a horizontal line.