

FIRST AMENDED AND RESTATED BYLAWS
OF
LAKE FRANCIS MUTUAL WATER COMPANY, INC.

TABLE OF CONTENTS
TO
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		Page Number
ARTICLE 1	NAME AND PURPOSE	1
1.1	Name and Location.....	1
1.2	Corporate Status.....	1
1.3	Public Water System.....	1
ARTICLE 2	DEFINITIONS.....	1
2.1	Articles.....	1
2.2	County.....	1
2.3	Eligible Person.....	1
2.4	Lot.....	1
2.5	Member in Good Standing.....	1
2.6	Total Voting Power.....	1
ARTICLE 3	MEMBERSHIP AND VOTING.....	2
3.1	Members and Term of Membership.....	2
3.2	Transfer of Membership.....	2
3.3	Combination of Lots.....	2
3.4	Classes of Members.....	2
3.5	Voting Rights of Members.....	2
3.6	Record Dates.....	3
ARTICLE 4	MEETINGS OF MEMBERS.....	4
4.1	Annual Member Meeting.....	4
4.2	Special Member Meetings.....	4
4.3	Notice of Member Meetings.....	4
4.4	Conduct of Member Meetings.....	5
4.5	Place of Member Meetings.....	5
4.6	Quorum.....	5
4.7	Proxies.....	5
4.8	Vote of the Members.....	6
4.9	Disclosure of Voting Results.....	6
4.10	Adjournment.....	6
4.11	Action Without a Member Meeting.....	6
ARTICLE 5	BOARD OF DIRECTORS; QUALIFICATIONS; TERM OF OFFICE.....	7
5.1	Number of Directors.....	7
5.2	Qualification and Disqualification of Directors.....	7
5.3	Election and Term of Office.....	7
5.4	Removal of Directors.....	8
5.5	Vacancies.....	8
5.6	Filling Vacancies.....	8
5.7	Compensation.....	8
ARTICLE 6	NOMINATION AND ELECTION OF DIRECTORS.....	8
6.1	Nomination.....	8
6.2	Elections.....	8
ARTICLE 7	MEETINGS OF DIRECTORS.....	8

7.1	Organizational Meetings.....	8
7.2	Regular Meetings.....	9
7.3	Special Meetings.....	9
7.4	Emergency Meetings.....	9
7.5	Notice to Directors.....	9
7.6	Notice to Eligible Persons.....	9
7.7	Attendance of Meetings.....	9
7.8	Content of Board Meetings.....	10
7.9	Action Outside a Meeting.....	11
7.10	Executive Session.....	11
7.11	Minutes of Meetings of Directors.....	11
7.12	Quorum.....	11
7.13	Substantial Compliance.....	12
ARTICLE 8	POWERS OF THE BOARD OF DIRECTORS.....	12
8.1	Powers, Generally.....	12
8.2	Rules and Regulations.....	12
8.3	Contracts.....	12
8.4	Levy and Collect Assessments.....	12
8.5	Determination of Good Standing.....	12
8.6	Sanctions; Hearings; Continuing Violations.....	13
8.7	Manager.....	14
8.8	Professional Advisors.....	14
8.9	Investment of Reserve Funds.....	14
8.10	Property Taxes.....	14
8.11	Education.....	14
8.12	Corporation Property.....	14
8.13	Indemnification of Agents.....	14
8.14	Bank Accounts.....	14
8.15	Borrowing.....	14
8.16	Insurance.....	14
8.17	Other Powers and Duties.....	15
8.18	Limitation of Powers.....	15
ARTICLE 9	DUTIES OF THE BOARD OF DIRECTORS.....	15
9.1	Purpose of Corporation.....	15
9.2	Training Requirements.....	15
9.3	Submission of Boundaries.....	15
9.4	Response to Local Agency Formation Commission.....	15
9.5	Pay Fines Under Safe Drinking Water Act.....	16
9.6	Records and Minutes.....	16
9.7	Pro Forma Budget.....	16
9.8	Accounting.....	16
9.9	Reserve Funds.....	16
9.10	Supervision.....	16
9.11	Certificate of Payment of Assessments.....	16
9.12	Insurance.....	16
9.13	Enforcement of Governing Documents.....	17
9.14	No Duty to Enforce Declaration.....	17
9.15	Response to Eligible Person Demands.....	17
ARTICLE 10	OFFICERS AND THEIR DUTIES.....	17
10.1	Enumeration of Officers.....	17
10.2	Election of Officers.....	17
10.3	Term.....	17

10.4	Special Appointments.....	17
10.5	Resignation and Removal.....	17
10.6	Vacancies.....	17
10.7	Multiple Offices.....	18
10.8	President.....	18
10.9	Vice President.....	18
10.10	Secretary.....	18
10.11	Treasurer.....	18
ARTICLE 11	COMMITTEES.....	18
11.1	Committees of the Board.....	18
11.2	Advisory Committees.....	18
11.3	Compensation of Committee Members.....	19
ARTICLE 12	BOOKS, RECORDS AND FUNDS.....	19
12.1	Inspection of Records.....	19
12.2	Use of Corporation Records, Generally.....	19
12.3	Checks, Drafts, and Evidences of Indebtedness.....	19
12.4	Funds and Deposits.....	19
12.5	Fiscal Year.....	19
12.6	Delivery of Documents to Members.....	19
ARTICLE 13	AMENDMENTS.....	20
13.1	Amendment.....	20
13.2	Amendment by Board of Directors.....	20
ARTICLE 14	MISCELLANEOUS.....	20

**FIRST AMENDED AND RESTATED BYLAWS
OF
LAKE FRANCIS MUTUAL WATER COMPANY, INC.**

ARTICLE 1 NAME AND PURPOSE

1.1 Name and Location. The name of the incorporated mutual water company is Lake Francis Mutual Water Company, Inc. ("Corporation"). The principal office of the Corporation shall be located in the County of Yuba, State of California, or at such other location as may be reasonably convenient to the Development as the Board of Directors (the "Board") may from time to time establish.

1.2 Corporate Status. The Corporation has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Section 7110 *et seq.*) as a nonprofit mutual benefit corporation, and is also a mutual water company formed under Corporations Code Sections 14300–14307.

1.3 Public Water System. As provided in California law, the Corporation operates a "public water system," as defined in Health & Safety Code Section 116275(h).

ARTICLE 2 DEFINITIONS

2.1 Articles. "Articles" shall mean the Articles of Incorporation of the Corporation, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

2.2 County. "County" means the County of Yuba, State of California and its various departments, divisions, employees, and representatives.

2.3 Eligible Person. "Eligible Person" means a person who is any of the following: (a) a Member of the Corporation; (b) a person who is an occupant, pursuant to a lease or a rental agreement, of commercial space or a dwelling unit to which the Corporation sells, distributes, supplies, or delivers drinking water; (c) an elected official of a city or county who represents people who receive drinking water directly from the Corporation on a retail basis; or (d) any other person eligible to participate in the Corporation's meetings under provisions of the Articles or Bylaws.

2.4 Lot. "Lot" means the land that is appurtenant to a share of the Corporation, which entitles the owner of the land to membership in the Corporation. Ownership of a Lot shall be interpreted to include ownership of a share of the Corporation, unless context clearly suggests a different interpretation.

2.5 Member in Good Standing. "Member in Good Standing" means a Member of the Corporation that is current in the payment of all dues, assessments, fines, penalties, and other charges imposed in accordance with the Corporation's governing documents, and who is in compliance with all of the provisions of the Corporation's governing documents.

2.6 Total Voting Power. "Total Voting Power" shall mean the total number of voting shares of all Members entitled to vote at a particular time, excluding any membership interests of any Member who is not then a Member in Good Standing.

ARTICLE 3 MEMBERSHIP AND VOTING

3.1 Members and Term of Membership. Membership in the Corporation shall include and be limited to, the owner of a share of the Corporation, which shall be appurtenant to the land described in the certificate issued therefore. Regardless of the description in the certificate issued to each share of the Corporation and all other references to shares in the Corporation's governing documents, each share shall represent a membership in the Corporation as a nonprofit mutual benefit corporation. Membership shall be appurtenant to and may not be separated from ownership of the Lot. The term Owner shall refer to a Member, who is the person, firm, corporation, or other entity which owns a share of the Corporation and owns title to the Lot entitling them to membership with the Corporation.

3.2 Transfer of Membership. Whenever a Member, by properly executed conveyance, transfers their Lot to another, or whenever title to the Lot passes by execution, sale, or by foreclosure or probate proceedings, the Secretary shall, upon exhibition to them of a deed of the land duly recorded, or the necessary and duly recorded court order, issue to the grantee named in the conveyance a new certificate of stock for the number of shares and memberships appurtenant to the Lot as shown by the books and records of the Corporation. The Secretary shall enter the name of the grantee upon the books of the Corporation as the owner of the shares of stock and Member of the Corporation, and shall cancel on the books the number of former shares of stock and memberships appurtenant to the Lot in the name of the grantor or of any previous owner of the Lot, or of any other person. Members shall not alienate the ownership of their Lot from their membership in the Corporation and the appurtenant shares in the Corporation, except as otherwise provided by California law, and only with written Board approval in association with delinquent payment of assessments or charges to the Corporation.

3.3 Combination of Lots. If a Member combines multiple Lots into a single or a fewer number of Lots, the shares and memberships appurtenant with the Lots prior to their combination shall not be combined.

3.4 Classes of Members. The Corporation shall have the one (1) class of voting members.

3.5 Voting Rights of Members.

3.5.1 Members Entitled to Vote. Only Members in Good Standing shall be entitled to vote. The voting privileges of Members shall be as provided herein. The tenants, lessees, or non-owner occupants of any Lot shall have no voting or membership rights in the Corporation. Members shall have one (1) vote for each share of stock they own, which is also the same as the number of memberships that the Member owns.

3.5.2 Casting Votes.

3.5.2.1 Voting at Membership Meetings. The vote by the Members regarding any issue at a meeting of the Members shall be conducted by ballot when determined by the chairperson of the meeting, in their discretion, or when requested by ten percent (10%) of the Members present at the meeting.

3.5.2.2 Voting by Written Ballot. In addition to voting in person or by proxy at a Member meeting, for those matters subject to Member approval, Members' may

vote by written ballot in lieu of a Member meeting in accordance with Section 4.11.

3.5.2.3 Proxy Voting. Members otherwise eligible to vote at a meeting may do so in person or by proxy issued as provided in Section 4.7.

3.5.2.4 Cumulative Voting Prohibited. Cumulative voting shall not be used in Director elections.

3.5.2.5 Multiple Owner Vote Allocation. Members in Good Standing shall be entitled to cast their allocated votes for each Corporation share they own, which equals the number of Lots the Member owns, unless otherwise provided in these Bylaws. In the event more than one (1) person owns a given Lot, the vote for the Lot shall be exercised as the Owners, among themselves, shall determine. In no event shall more than the allocated votes for the Lot be cast with respect to any Lot. If joint Owners of a Lot are unable to agree among themselves as to how their vote or votes are to be cast, such vote shall be cast in accordance with the decision of a majority of such Owners. If there is no such majority, the vote for the Lot shall not be cast either in favor of or opposed to the issue or issues which are the subject of the vote, but the membership shall be counted for purposes of determining whether the quorum requirements applicable to the vote or meeting have been met. If any Owner casts a vote representing a certain Lot and no written objection thereto is received by the Secretary prior to the close of voting, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Lot.

3.6 Record Dates. The record dates for notice of meetings of Members and voting shall be determined as follows:

3.6.1 Record Dates for Notice of Meetings. The Board may fix a time, not more than ninety (90) days and not less than ten (10) days preceding the date of any meeting of the Members, as the record date for determining the Members entitled to notice of any such meeting. In the event the Board does not fix a record date, the record date for the determination of Members entitled to notice of any meeting shall be the close of business on the business day preceding the day on which notice is given or, if notice is waived, the close of business on the business day preceding the day on which the meeting is held. Only those persons or entities identified as Members in the records of the Corporation on the record date shall be entitled to notice of such meeting.

3.6.2 Record Dates for Voting. The Board may fix a time, not more than sixty (60) days preceding the date of any meeting of the Members, as the record date for determining the Members entitled to vote at any such meeting. In the event the Board does not fix a record date, the record date for the determination of Members entitled to vote at any meeting shall be the day of the meeting or, in the case of an adjourned meeting, the day of the adjourned meeting. Only Members in Good Standing as of the record date shall be entitled to vote at such meeting.

3.6.3 Record Dates for Actions Without a Meeting. The Board may fix a time, not more than sixty (60) days before the day on which the first written ballot is mailed or solicited, as the record date for determining the Members entitled to cast written ballots with respect to any action proposed to be taken without a meeting pursuant to Section 4.11. In the event the Board does not fix a record date, the record date for the determination of Members entitled to cast written ballots with respect to any proposed action shall be the day on which the first written ballot is mailed or solicited. Only Members in Good Standing as of the record date shall be entitled to receive written ballots and vote on the proposed action.

3.6.4 Entitlement to Notice and Vote. Only Members are entitled to receive notice of meetings and only Members in Good Standing are entitled to vote, unless otherwise provided in these Bylaws or mandated in California law.

ARTICLE 4 MEETINGS OF MEMBERS

4.1 Annual Member Meeting. The annual meeting of the Members shall be held annually in June of each year, or another month at a date and time established by the Board.

4.2 Special Member Meetings. The President, the Board, or Members, pursuant to the written request of Members entitled to cast at least five percent (5%) of the Total Voting Power may call a special Member meeting.

4.3 Notice of Member Meetings.

4.3.1 Notice Period. The Secretary or other person authorized to give notice of a Member meeting shall provide written notice of each Member meeting. Written notice shall be mailed first class, postage prepaid, or otherwise delivered at least ten (10) days, but not more than ninety (90) days, before such Member meeting, to each Member entitled to vote at such Member meeting, except that in the case of a special Member meeting called pursuant to a written request of Members, notice of the special Member meeting shall be mailed or otherwise delivered within twenty (20) days after receipt of the written request to the Board, and the Board shall set the date of the special Member meeting, which shall not be sooner than thirty-five (35) days nor later than ninety (90) days after the date of the Board's receipt of the written request. Notice shall be given by posting the notice in a place or places within the territory the Corporation serves and by mail to any Member who had requested notification of Board meetings by mail. Additionally, notice may also be given by mail or delivery of the notice to each Lot or by newsletter or similar means of communication.

4.3.2 Content of Notice. Notice of Member meetings shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Corporation or supplied by such Member to the Corporation for the purpose of notice. Notice of any Member meeting shall specify the date, hour, and place of the Member meeting, and the general nature of those matters which the Board intends to present for Member action. Additionally, the notice shall contain the agenda for the Member meeting.

4.3.3 Matters to be Transacted. With respect to special Member meetings, only those matters referred to in the notice and agenda may be transacted. With respect to regular Member meetings, and notwithstanding the foregoing, any proper matter may be presented at the Member meeting for Member action, except that if the Member meeting is actually attended, in person or by proxy, by less than a quorum, the Members may only act on matters the general nature of which was set forth in the notice of the Member meeting.

4.4 Conduct of Member Meetings. All Member meetings shall be conducted in accordance with a system of parliamentary procedure, such as Robert's Rules of Order, or such parliamentary procedures as the Board may adopt. The Board shall establish a reasonable time limit for all Members to speak at a Member meeting.

4.5 Place of Member Meetings. Annual and special Member meetings shall be held at a convenient place located as close as reasonably practicable to the territory the Corporation serves.

4.6 Quorum.

4.6.1 Percent of Members Required. The presence at any Member meeting, in person or by proxy, of Members entitled to cast at least fifty-one percent (51%) of the Total Voting Power shall constitute a quorum for the transaction of any business.

4.6.2 Adjournment. If, however, such quorum shall not be present or represented at any Member meeting, the Members otherwise entitled to vote at that Member meeting may not transact any business but may adjourn the Member meeting, from time to time, to be reconvened at a subsequent date, or the same date, which is not more than thirty (30) days from the time of the adjourned Member meeting, without notice, other than announcement at the Member meeting, until a quorum shall be present or represented. The quorum for an adjourned Member meeting originally called for any purpose shall be fifty-one percent (51%) of the Members. The quorum requirements of this Section shall be subject to any other provisions of the Corporation's governing documents specifically establishing a different quorum requirement.

4.7 Proxies. At all Member meetings for which proxies may be used, each Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary. Any duly-executed proxy continues in full force and effect until an instrument revoking it or a duly-executed proxy bearing a later date is filed with the Secretary. Notwithstanding the preceding, no proxy shall be valid after the expiration of eleven (11) months from the date of its execution. A proxy shall automatically cease upon the Member's conveyance of their Lot to another or the termination of their membership with the Corporation.

4.7.1 Form of Proxy. A proxy covering any of the following matters shall not be valid unless it sets forth the general nature of the matter to be voted on:

4.7.1.1 Votes with Interested Directors. Voting on a transaction involving an interested Director pursuant to Corporations Code Section 7233; and

4.7.1.2 Voting on Sale or Exchange of All or Substantially All Assets. Voting on the sale or exchange of all or substantially all of the Corporation assets pursuant to Corporations Code Section 7911(a)(2).

4.7.2 Choice Between Approval and Disapproval. Any form of proxy distributed to ten (10) or more Members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of matters intended, at the time the proxy is distributed, to be acted upon at the Member meeting for which the proxy is solicited and shall provide, subject to specified conditions, that where a choice is specified, the vote shall be cast in accordance with that choice.

4.8 Vote of the Members. If a quorum is present, in person or by proxy, the affirmative vote of a majority of the Total Voting Power present and voting on any matter shall constitute the act of the Members, unless the approval of a greater number or proportion of Members is required by any provision of these Bylaws, the Articles, or law. Members present at a Member meeting may continue to transact business until adjournment of the Member meeting notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken, other than adjournment, is approved by Members entitled to vote at least a majority of the Total Voting Power required to constitute a quorum, or by such greater number as required by law or by the Corporation's governing documents.

4.9 Disclosure of Voting Results. For a period of sixty (60) days following the conclusion of a Member meeting, the Corporation shall, upon written request from a Member, inform the Member of the result of any particular vote of the Members taken at the Member meeting, including the number of memberships voting for and the number of memberships voting against the matter. If the matter voted on was the election of Directors, the Corporation shall report the number of membership votes cast for each nominee for Director.

4.10 Adjournment. Whether or not a quorum is present, any Member meeting may be adjourned, from time to time, to be reconvened at a later time, subject to Section 4.6, by the vote of a majority of the Members present in person or by proxy at the Member meeting; however, in the absence of a quorum, no business other than adjournment may be transacted. If a time and place for the adjourned Member meeting to reconvene is not fixed by those in attendance at the original Member meeting in which a quorum was not present, or if for any reason a new date is fixed for the adjourned Member meeting to reconvene after adjournment, notice of the time and place of the adjourned Member meeting to reconvene shall be given to the Members in the manner prescribed for regular Member meetings in Section 4.3.

4.11 Action Without a Member Meeting.

4.11.1 Types of Action Permitted. Any action which may be taken at a regular or special Member meeting may be taken without a Member meeting if the Corporation distributes a written ballot to every Member entitled to vote. The determination to seek Member approval for Corporation actions through the use of written ballots for matters shall be made by a majority vote of the Board.

4.11.2 Content of Ballots. Written ballots distributed to Members shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal. The written ballots shall provide a reasonable time within which to return the ballot to the Corporation. The Board, in its discretion, shall have the power to extend the

date within which ballots must be returned if ballots constituting the necessary quorum requirements for approval of the proposed action are not received by the original deadline set for their return.

4.11.3 Quorum and Approvals Required. Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum that would be required if the action were taken at a Member meeting, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if it were taken at a Member meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

4.11.4 Content of Solicitation. The written ballot solicitation shall identify the number of responses needed to meet the quorum requirement and the percentage of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Corporation in order to be counted.

4.11.5 Revocation of Ballot. A written ballot, once cast, cannot be revoked.

ARTICLE 5 BOARD OF DIRECTORS; QUALIFICATIONS; TERM OF OFFICE

5.1 Number of Directors. The affairs of this Corporation shall be managed by or under the direction of the Board. The Board shall consist of three (3) Directors.

5.2 Qualification and Disqualification of Directors. All Directors shall meet the following qualifications, and shall be subject to disqualification as follows:

5.2.1 Good Standing Required. Only Members in Good Standing shall be eligible to be elected to or serve on the Board.

5.2.2 Number of Owners per Lot on the Board. Only one (1) Owner of a particular Lot may serve on the Board at any time.

5.2.3 Disqualification. A person shall be deemed disqualified under the following circumstances: (a) the person is found by a court of competent jurisdiction to be of unsound mind or has been convicted of a crime of dishonesty or a criminal act that would prevent the Corporation from purchasing insurance required under California law; (b) the person fails to accept such office, either in writing or by attending a meeting of the Board as a Director, within sixty (60) days after receiving notice of election; and (c) with respect to a Director who is or was a Member, the person ceases to be a Member in Good Standing.

5.3 Election and Term of Office. At each annual Member meeting, Members shall elect each Director, who each shall serve a term of one (1) year. A Director's term of office shall commence immediately following their election and each Director shall serve until the expiration of their term and thereafter until a successor is elected, or until the earlier disqualification, death, resignation, or removal of the Director. Any tie in the number of votes cast for candidates where one (1) or more Directors are to be elected shall be decided by random drawing or other method of chance as determined by the Board.

5.4 Removal of Directors. Any Director may be removed from the Board, with or without cause, by the vote of a majority of a quorum of the Members at a meeting or by written ballot. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of their term of office.

5.5 Vacancies. A vacancy shall exist on the Board in the event of the disqualification, death, resignation, or removal of any Director; if the authorized number of Directors is increased; or if Members fail to elect the full authorized number of Directors. A reduction in the authorized number of Directors shall not cause the removal of a Director prior to the expiration of their term. The Board, by a majority vote of the Directors who meet all of the qualifications for Directors set forth in Section 5.2, may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of the Director's current term of office.

5.6 Filling Vacancies. Any vacancy occurring on the Board, except a vacancy created by the removal of a Director or due to an increase in the authorized number of Directors, may be filled by approval of the Board, or if the number of Directors then in office is less than a quorum, by the vote of a majority of the remaining Directors at a meeting of the Board, by unanimous written consent of the Directors then in office, or by a sole remaining Director. A Director so chosen shall serve the remainder of the term of office of the Director whom they replace. Members may elect a Director at any time to fill any vacancy the Board has not filled. If the Board accepts the resignation of a Director tendered to take effect at a future time, the Board or, if the Board fails to act, the Members may elect a successor to take office when the resignation becomes effective. The vote of the Members, pursuant to Article 6, shall fill a vacancy occurring on the Board because of the removal of a Director or due to an increase in the number of authorized Directors shall be filled by.

5.7 Compensation. Directors, and officers, may receive compensation for the service they render to the Corporation as a Director or officer, if approved by the Board and a majority of a quorum of the Members. Such approval shall include the amount of compensation as well. Upon approval by the Board, any Director may also be reimbursed for their expenses actually incurred in the performance of their duties.

ARTICLE 6 NOMINATION AND ELECTION OF DIRECTORS

6.1 Nomination. Any person meeting the qualifications specified in Section 5.2 may place their name in nomination for election to the Board by giving written notice to the Corporation on or prior to the date the Board specifies.

6.2 Elections. Each election conducted by written ballot shall be conducted in accordance with the provisions of these Bylaws and adopted Corporation governing documents regarding elections, if any.

ARTICLE 7 MEETINGS OF DIRECTORS

7.1 Organizational Meetings. Following each annual meeting of Members or Directors where one (1) or more Directors are elected, the Board shall hold a meeting for the purpose of organization, election of officers, and transaction of other business, as appropriate.

7.2 Regular Meetings. Regular Board meetings shall be held at least quarterly, at a place within the territory the Corporation serves, or at a convenient place located as close as reasonably practicable to the territory the Corporation serves, and on a day and at a time the Board, by resolution, fixes from time to time, or upon proper notice which conforms to the provisions of Section 7.6 at another place, day, and time as set forth in such notice.

7.3 Special Meetings. The President or any two (2) Directors may call a special Board meeting.

7.4 Emergency Meetings. The President or any two (2) Directors may call an emergency meeting of the Board if there are circumstances that could not have been reasonably foreseen which require the Board's immediate attention and possible action, and which of necessity make it impracticable to provide notice to Eligible Persons as required by Section 7.6.

7.5 Notice to Directors. Except as otherwise provided in Section 7.2, notice of each Board meeting shall be communicated to the Directors by first-class mail not less than four (4) days prior to the meeting or by: (a) personal delivery; (b) telephone, including a voice messaging system or other system or technology designed to record and communicate messages; (c) facsimile; or (d) email or other electronic means, not less than forty-eight (48) hours prior to the meeting. In the event of an emergency meeting, as provided in Section 7.4, strict adherence to the notice requirements of this Section shall not be required provided that a reasonable effort to give notice to each Director shall be made taking into consideration the nature and circumstances of the emergency. Notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, or an approval of the minutes thereof, whether before or after the meeting, nor must notice be given to any Director who attends a meeting without protesting, prior thereto or at its commencement, the lack of notice to that Director.

7.6 Notice to Eligible Persons. The Corporation shall provide Eligible Persons notice of the time and place of a non-emergency Board meeting, at least four (4) days prior to the meeting. Notice shall be given by posting the notice in a prominent, publicly accessible place or places within the territory the Corporation serves and by mail to any Eligible Person who has requested notification of Board meetings by mail, at the address the Eligible Person requested. Eligible Persons requesting notice by mail shall pay the costs of reproduction and mailing of the notice in advance. Notice may also be given by mail, by delivery of the notice to each Lot the Corporation serves, or, with the consent of the Eligible person, by electronic means. The notice shall contain the agenda for the meeting

7.7 Attendance of Meetings. Regular and special Board meetings shall be open to Eligible Persons, except when the Board meets in executive session pursuant to Section 7.10. Eligible Persons may personally attend a meeting of the board, if the Eligible Person gives the Board at least twenty-four (24) hours advance written notice of their intent to personally attend the meeting. The Board, in its discretion, may waive this twenty-four (24) hour notice requirement.

7.7.1 Teleconference Meetings. Directors may participate in regular or special Board meetings, which Eligible Persons may also attend using equivalent technologies, through the use of teleconferencing or other communications equipment that allows Eligible Persons and Directors to hear and verbally interact with other Directors, to the extent permitted by law, including, without limitation, Corporations Code Section 14305(a)(2). If an open Board meeting is held via teleconferencing, at least one (1) Director must be physically present at the noticed location of the Board meeting. If the requirement to provide a physical location and a Director at the location is no longer required under

California law, the Corporation shall no longer be required to provide a physical location and a Director at the location. If a Board meeting is held via teleconferencing, an Eligible Person is not required to provide the Board written prior notice at least twenty-four (24) hours in advance of the Board meeting.

7.7.2 Participation in Meetings. Any Eligible Person may speak at any Board meeting, except for any portion of a meeting that is held in executive session outside the presence of Eligible Persons. The Board may establish a reasonable time limit for all Eligible Persons to speak to the Board or before a Board meeting.

7.8 Content of Board Meetings.

7.8.1 Restrictions. Except as described below, the Board shall not discuss or take action on any item at a nonemergency Board meeting unless the item was placed on the agenda included in the notice that was posted and distributed pursuant to Section 7.6. This provision does not prohibit an Eligible Person who is not a Director from speaking on issues not on the agenda of the Board meeting.

7.8.2 Addressing Items Not on the Agenda. A Director, Corporation officer, or Corporation staff may do any of the following: (a) briefly respond to statements made or questions posed by a person speaking at a meeting as described in Section 7.7.2; (b) ask a question for clarification, make an announcement, or make a brief report on their own activities, whether in response to an Eligible Person's question or statement or upon their own initiative. A Director may, subject to the rules or procedures of the Board: (a) provide a reference to or provide other resources for factual information to the Corporation's officers or staff, (b) request the Corporation's officers or staff to report back to the Board at a subsequent Board meeting concerning any matter, or take action to direct the Corporation's officers or staff to place a matter of business on a future agenda, or (c) direct the Corporation's officers or staff to perform administrative tasks that are necessary to comply with open meeting requirements.

7.8.3 Items Requiring Immediate Action. The Board may take action on any item of business not appearing on the agenda posted and distributed pursuant to Section 7.6 under any of the following conditions:

7.8.3.1 Upon the determination of a majority of the Board present at the meeting that an emergency situation exists.

7.8.3.2 Upon the determination of two-thirds (2/3) of the Directors present at a Board meeting, or, if less than two-thirds (2/3) of the total membership of the Board are present at the Board meeting, by a unanimous vote of the Directors present, that there is a need to take immediate action and that the need for action came to the Board's attention after the agenda was posted and distributed pursuant to Section 7.6.

7.8.3.3 The item appeared on a prior Board meeting agenda that was posted and distributed pursuant to Section 7.6 and the Board meeting occurred not more than thirty (30) calendar days before the date action is taken on the item and, at the prior

meeting, action on the item was continued to the meeting at which the action is taken.

7.8.4 Acknowledgment of Agenda Item. Before discussing any item on the Board meeting agenda or the item not listed on the Board meeting agenda discussed pursuant to Section 7.8.2 and Section 7.8.3, the Board shall openly identify the item to the Eligible Person's in attendance at the meeting.

7.9 Action Outside a Meeting. The Board shall not take action on any item of business outside of a Board meeting. The Board shall not conduct a meeting via a series of electronic transmissions, including, but not limited to, electronic mail, except electronic transmissions may be used as a method of conducting an emergency meeting if all Directors, individually or collectively, consent in writing to that action, and if the written consent or consents are filed with the minutes of the Board meeting. These written consents may be transmitted electronically

7.10 Executive Session. The Board shall only meet in executive session during a Board meeting. The Board may prohibit an Eligible Person from attending an executive session: (a) to consider pending or potential litigation; (b) to consider matters relating to the formation of contracts with third parties, including matters relating to the potential acquisition of real property or water rights; (c) to consider Member discipline; (d) to consider personnel matters; or (e) to meet with a Member upon the Member's request, regarding the member or shareholder's payment of assessments.

7.10.1 Member Discipline. The Board shall meet in executive session, if requested by a Member who may be subject to a fine, penalty, or other form of discipline, and the Member shall be entitled to attend the portion of the executive session where the matter involving their potential fine, penalty, or discipline is being discussed.

7.10.2 Minutes of Executive Session. Any matter discussed in executive session shall be generally noted in the minutes of the meeting at which the executive session occurred.

7.11 Minutes of Meetings of Directors. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board, other than an executive session, shall be available to Eligible Persons within thirty (30) days of the meeting. The minutes, proposed minutes, or summary minutes shall be provided to any Eligible Person upon request and upon reimbursement of the Corporation's costs for providing the minutes

7.12 Quorum. A majority of the number of Directors then in office, but not less than two (2) Directors, shall constitute a quorum for the transaction of business, provided that if a Director is not a Member in Good Standing, a quorum shall constitute a majority of the Directors that are Members in Good Standing, and further provided that with respect to any decision regarding an enforcement action or proposed discipline against a Member that is a Director, including, without limitation, a decision regarding such Member's Good Standing status, a quorum for such action or discipline shall constitute a majority of the remaining Directors after excluding any Director that is the Member that is the subject of such action or discipline and such excluded Director shall not have the right to vote on such decision. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board.

Business may continue to be conducted if any action taken is approved by at least a majority of the Directors required to constitute a quorum notwithstanding the withdrawal of enough Directors to leave less than a quorum. Notwithstanding the number of Directors specified in Section 5.1, in the event that only one (1) Director remains after the exclusion of Directors pursuant to the provision of this Section 7.10 hereby authorize that the number of Directors shall be one (1), in which case, as provided under the provisions of Corporations Code Section 7211(a)(7), such one (1) Director shall constitute a quorum.

7.13 Substantial Compliance. A Board action that is alleged to have been taken in violation of this Article shall not be determined to be void if the action taken was in substantial compliance with this Article. The fact that the Board takes subsequent action to cure or correct an action taken pursuant to this Article shall not be construed as, or admissible as evidence of, a violation of this Article.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

8.1 Powers, Generally. Subject to limitations located in the Articles and in addition to other powers, as may be expressly set forth elsewhere in these Bylaws or provided by law, the Board shall have the powers set forth below.

8.2 Rules and Regulations. The Board shall have the power to adopt, publish, amend, repeal, and enforce rules and regulations governing the administration, management, operation, and use of the Corporation and its property, services, and any other matter which is within the Corporation's jurisdiction.

8.3 Contracts. The Board shall have the power to authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Corporation. Unless expressly authorized in a Board resolution, no officer shall have any power or authority to bind the Corporation or to render the Corporation liable for any purpose or on any account.

8.4 Levy and Collect Assessments. The Board shall have the power to levy assessments upon its shares and Members, whether or not fully paid. If any Member becomes delinquent in the payment of assessments, the right to receive water or dividends thereon may be denied, and they may be sold and transferred without the Member's Lot as if not appurtenant thereto, and the purchaser shall acquire the right to receive water as provided in the Articles or these Bylaws, or they may be forfeited to the Corporation.

8.4.1 Safe Drinking Water Act Fines. The Board may levy assessments under this Section to pay any fines, penalties, costs, expenses, and other amounts that may be imposed upon the Corporation under the California Safe Drinking Water Act, as located in Health & Safety Code Section 116270 *et seq.*

8.4.2 Failure to Pay Assessment. If a Member has not timely paid any rate, charge, or assessment arising from, or related to, water service the Corporation provides to the Member's Lot, then after providing at least twenty (20) days' written notice to the Member, the Board may authorize the recording of a notice of lien against the Member's Lot to secure the collection of the rates, charges, and assessments the Member owes the Corporation.

8.5 Determination of Good Standing. The Board shall have the power to determine, after notice to the Member and an opportunity for a hearing by the Board, that a Member is not a Member in Good Standing during any period in which the Member is in default in the payment of any assessment, fine, or

other charge levied by the Board or is in violation of any provision of the Corporation's governing documents. A Member shall not be denied any privileges of membership, except upon the Board's explicit finding, after notice and an opportunity for a hearing, that the Member is not a Member in Good Standing for specified reasons, provided that the Board's decision to serve notices, hold and conduct hearings, and make a determination regarding a Member's Good Standing status shall be subject to the quorum and voting restrictions provided under Section 7.10, and the prohibitions against conflicts of interest provided in Corporations Code Section 7233. Further, a Director shall not vote on the decision to determine whether they, as a Member of the Corporation, are a Member in Good Standing. A Member the Board finds to not be a Member in Good Standing shall be deemed to continue in that status until the Board makes a determination, either upon the Board's own initiative or upon the request of the Member, that the Member is, once again, a Member in Good Standing.

8.6 Sanctions; Hearings; Continuing Violations. The Board shall have the power to impose any or all of the sanctions, and conduct hearings, as indicated below:

8.6.1 Imposition of Fines. The Board shall have the power to establish and impose reasonable fines, for an infraction of any provision of the Corporation's governing documents, including the assessments and charges provided in Section 8.4. The fines shall be in such amount as the Board, in its discretion, shall determine and may be imposed on a per day basis for the period that the violation continues in the case of a continuing violation as discussed below.

8.6.2 Suspension of Rights. The Board shall have the power to suspend the voting or other membership rights and privileges of a Member, including the right to use any facilities: (a) during any period in which such Member shall be in default in the payment of any assessment, fine, or other Corporation levied charge; and (b) for any Corporation governing document infraction.

8.6.3 Hearings. Before any action is taken or discipline is imposed upon a Member, the Board shall hold a meeting to consider the matter.

8.6.4 Notice of Hearings. At least four (4) days prior to any Board meeting where the imposition of discipline upon a Member is to be considered, the Board shall provide written notice of the meeting to the Member by either personal delivery or first-class mail. The notice shall contain at least: (a) the date, time, and place of the meeting; (b) the nature of the alleged violation for which the Member may be disciplined; and (c) a statement that the Member has a right to attend the meeting and may address the Board at the meeting.

8.6.5 Continuing Violations. In the case of a continuing violation, the Board may deem such continuing violation to constitute two (2) or more separate and distinct violations of the same Corporation governing document provision and may impose separate and successive sanctions for each such violation. However, the Board shall not impose a separate sanction for violation of the same provision more frequently than once per day.

8.6.6 Notice of Discipline. If the Board imposes discipline upon a Member, the Board shall provide the Member with written notification of the disciplinary action, by either personal delivery or first-class mail, within thirty (30) days following the action.

8.7 Manager. The Board shall have the power to engage the services of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties.

8.8 Professional Advisors. The Board shall have the power to consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Corporation's governing documents and the law, and to pay for such professional services.

8.9 Investment of Reserve Funds. The Board shall have the power to invest Corporation reserve funds in prudent investments subject to the provisions of Section 9.9.

8.10 Property Taxes. The Board shall have the power to pay all real property taxes and assessments levied upon any property the Corporation owns to the extent it is not separately assessed to Owners. The Corporation may contest or form a separate agreement addressing such taxes and assessments, subject to any other restrictions in California law.

8.11 Education. The Board shall have the power to join educational and trade organizations, attend seminars and events, and subscribe to publications which provide information regarding mutual water companies, their management, the duties and obligations of the Board, and the general operational aspects of the Corporation.

8.12 Corporation Property. The Board shall have the power, subject to the provisions of the Articles and California law, including any required approval of Members, to acquire, own, hold, convey, transfer, dedicate, or otherwise dispose of real or personal property consistent with the purposes and powers of the Corporation and the management, administration, and operation of the Development or the business and affairs of the Corporation, and grant and convey easements, licenses, and rights of way in, over, upon, or under Corporation property, if any.

8.13 Indemnification of Agents. The Board shall have the power to indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a Director, officer, employee, or agent of the Corporation or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of their being a Director, officer, employee, or agent of the Corporation or member of any committee appointed by the Board.

8.14 Bank Accounts. The Board shall have the power to open bank accounts and designate signatories upon such bank accounts, subject to any restrictions set forth in the Corporation's governing documents.

8.15 Borrowing. The Board shall have the power to borrow money in the name of the Corporation with the approval of a majority of the Total Voting Power.

8.16 Insurance. The Board shall have the power to procure and maintain liability insurance, property insurance, and workers compensation insurance as it deems proper. The Corporation shall also have the power to purchase and maintain insurance on behalf of its Directors, officers, employees, and other

agents against other liability asserted against or incurred by any Director, officer, employee, or agent in such capacity or arising out of the Director's, officer's, employee's, or agent's status as such.

8.17 Other Powers and Duties. The Board shall have the power to exercise for the Corporation all powers, duties, and authority vested in or delegated to the Corporation and not reserved to the Members by other provisions of the Corporation's governing documents or law, and undertake any action on behalf of the Corporation as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Corporation and/or the interests of the Corporation and its Members.

8.18 Limitation of Powers. The Board shall not take any of the following actions without the vote or written consent of a majority of a quorum of the Members:

8.18.1 Compensation. The Board shall not have the power to pay compensation to Directors or Corporation officers. However, Directors and officers can be reimbursed for reasonable out-of-pocket expenses, verified in writing, incurred in carrying on the business of the Corporation, upon approval of the Board.

8.18.2 Vacancies on the Board. The Board shall not have the power to fill any vacancy on the Board created by the removal of a Director by election of the Members.

ARTICLE 9 DUTIES OF THE BOARD OF DIRECTORS

9.1 Purpose of Corporation. The Board shall further the Corporation's lawful purpose, which, as provided in the Articles, is to develop, distribute, supply, or deliver water for irrigation or domestic use, or both, to its Members and shareholders, at actual cost, plus necessary expenses.

9.2 Training Requirements. The Board shall, to the extent required under California law, including Corporations Code Section 14301.2, comply with training requirements set forth in Health & Safety Code Section 116755(a).

9.3 Submission of Boundaries. The Board shall, no later than December 31, 2012, submit to the County local agency formation commission a map depicting the approximate boundaries of the property that the Corporation serves.

9.4 Response to Local Agency Formation Commission. The Board shall, to the extent provided in Corporations Code Section 14301.1(b), respond to requests from the County local agency formation commission for information in connection with the preparation of municipal service reviews or spheres of influence pursuant to Chapter 4 (commencing with Section 56425) of Part 2 of Division 3 of Title 5 of the Government Code within forty-five (45) days of the request. The Corporation shall provide all reasonably available nonconfidential information relating to the operation of the Corporation's public water system. The Corporation shall explain, in writing, why any requested information is not reasonably available. The Corporation shall not be required to disclose any information pertaining to the names, addresses, or water usage of any specific Member. The Corporation shall not be required to undertake any study or investigation in association with a request from a local agency formation commission located in the County. The Corporation may comply with this Section by submitting to the local agency formation commission the same information that the Corporation submitted to the State Department of Public Health under the requirements listed in Corporations Code Section 14301.1(a), and which are outlined in Section 9.3.

9.5 Pay Fines Under Safe Drinking Water Act. The Board shall be liable for the payment of any fines, penalties, costs, expenses, and other amounts that may be imposed upon the Corporation pursuant to the California Safe Drinking Water Act, as provided in Health & Safety Code Section 116270. The Board may levy an assessment, pursuant to Corporations Code Section 14303, to pay these fines, penalties, costs, expenses, and other amounts so imposed. If the amount of outstanding fines, penalties, costs, expenses, and other amounts imposed pursuant to the California Safe Drinking Water Act exceeds five percent (5%) of the Corporation's annual budget, then the Board shall levy an assessment, pursuant to Corporations Code Section 14303, to pay those fines, penalties, costs, expenses, and other amounts so imposed.

9.6 Records and Minutes. The Board shall cause to be kept a complete record of all its acts and corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, and committees of the Board, and to present a statement thereof to the Members at the annual meeting of the Members.

9.7 Pro Forma Budget. The Board shall adopt, in an open meeting, an annual budget on or before the start of each fiscal year of the Corporation. The pro forma budget shall be available to Eligible Persons within thirty (30) days of the meeting at which the budget was adopted. The budget shall be provided to any Eligible Person upon request and upon reimbursement of the Corporation's costs.

9.8 Accounting. The Board shall contract with a certified public accountant or public accountant to conduct an annual review of the Corporation's financial records and reports. The review shall be subject to generally accepted accounting standards. Eligible Persons may request a copy of this report, and shall reimburse the Corporation the costs of providing the report.

9.9 Reserve Funds. The Board shall maintain a financial reserve fund for repairs and replacements to its water production, transmission, and distribution facilities at a level sufficient for continuous operation of facilities in compliance with the federal Safe Drinking Water Act (42 U.S.C. Section 300f *et seq.*) and the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health and Safety Code). The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account. The Board shall manage and invest Corporation reserve funds in a prudent manner designed to achieve the primary objective of preserving principal while realizing a reasonable return and to assure the availability of funds as they are needed.

9.10 Supervision. The Board shall supervise all officers, agents, and employees of the Corporation, and see that their duties are properly performed.

9.11 Certificate of Payment of Assessments. The Board shall issue, or cause an appropriate manager or officer to issue, upon demand by any proper person, a certificate setting forth whether or not any assessment has been paid. The Board may charge a reasonable fee for the issuance of such certificates.

9.12 Insurance. To the extent they are available at a reasonable premium cost, the Board shall obtain and maintain in force the policies of insurance required by law or which the Board believes, in its business judgment, to be in the best interest of the Corporation.

9.13 Enforcement of Governing Documents. In its business judgment, the Board shall enforce the provisions of the Corporation's governing documents, and perform all acts required of the Board under the Corporation's governing documents or required by law.

9.14 No Duty to Enforce Declaration. The Board shall have no duty to enforce the *Declaration of Restrictive Covenants on Tract No. 100, Yuba County, California*, recorded on September 25, 1967, in Book 456, on Page 538 of the Official Record of the County, beyond its responsibility, in the business judgement of the Board, to enforce the Corporation's rights that the document may impact. The Corporation is not a common interest development and is not a community association.

9.15 Response to Eligible Person Demands. The Board shall respond to an Eligible Person's demand that the Board cure or correct an action the Eligible Person alleges to be taken in violation of Corporations Code Section 14305. The Eligible Person must submit their demand to the Board, in writing, within ninety (90) days from the date the action was taken. The Eligible Person's demand shall state the challenged Board action and the nature of the alleged violation. Within thirty (30) days of the Board's receipt of the Eligible Person's demand, the Board shall cure or correct the challenged action and inform the demanding Eligible Person, in writing, of its actions to cure or correct, or inform the demanding Eligible Person, in writing, of its decision not to cure or correct the challenged action.

ARTICLE 10 OFFICERS AND THEIR DUTIES

10.1 Enumeration of Officers. The officers of the Corporation shall be a President, Vice President Secretary, and a Chief Financial Officer (who may from time to time be referred to as the Treasurer), who shall at all times be members of the Board, and such other officers as the Board may, by resolution, appoint.

10.2 Election of Officers. The Board shall elect the officers. The election of officers shall take place immediately following the election of the Board, or at the first meeting of the Board following an election of a new Director.

10.3 Term. Each officer shall hold office for one (1) year, unless they shall sooner resign, are removed by the Board, or otherwise are disqualified to serve.

10.4 Special Appointments. The Board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine. Such other officers do not need to be members of the Board or members of the Corporation.

10.5 Resignation and Removal. The Board may remove any officer from office, with or without cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

10.6 Vacancies. The Board may fill a vacancy in any office by appointment. The officer appointed to the vacancy shall serve for the remainder of the term of the officer they replace, subject to the Board's right to remove an officer.

10.7 Multiple Offices. The offices of Vice President and Secretary, or Vice President and Treasurer, may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices.

10.8 President. The President shall be the chief executive officer of the Corporation and shall, subject to control of the Board, have general supervision, direction, and control of the affairs and the other officers and the employees and agents of the Corporation. The President shall preside at all meetings of the Members and at all meetings of the Board, shall have the general powers and duties of management usually vested in the office of the President of a corporation, and shall have such other powers and duties as the Board and Bylaws may prescribe, subject, to any limitations contained in the Articles or law.

10.9 Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as, from time to time, the Board may prescribe.

10.10 Secretary. The Secretary shall keep or cause to be kept at the principal office, or such other place as the Board may prescribe, a book of minutes of all meetings of Directors, Members, and committees of the Board, setting forth the time and place of holding of such meetings; whether regular or special, and if special, how authorized; the notice thereof given; the names of those present at meetings of the Board or of committees of the Board; the number of memberships and votes present or represented at Members meetings; and all the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board, required by the Bylaws, or by law to be given and shall maintain a proper record of the giving of such notice, and shall keep the books, records, and documents of the Corporation in safe custody, and shall be responsible for complying with the requirements to transfer membership with the Corporation from one owner to another as provided in Section 3.2. The Secretary shall have such other powers and perform such other duties as the Board or Bylaws may prescribe.

10.11 Treasurer. The Treasurer shall be responsible for the receipt and deposit in appropriate accounts of all monies of the Corporation and shall cause disbursement of such funds as directed by resolution of the Board; may sign all checks and promissory notes of the Corporation; shall cause to be kept proper books of account; shall cause an annual review of the Corporation's books and financial statements to be made by a public accountant at the completion of any fiscal year for which such review is required by law or as the Board determines; shall assist the Board in preparing an annual budget to be presented to the Members as provided by law; and shall have such other powers and perform such other duties as the Board may prescribe.

ARTICLE 11 COMMITTEES

11.1 Committees of the Board. Any "Committee of the Board" (that is, a committee consisting only of Directors, as referred to in Corporations Code Section 7212) shall consist of at least two (2) Directors and shall have such powers and duties as the Board shall determine, subject to the limitations of Corporations Code Section 7212.

11.2 Advisory Committees. The Board may appoint advisory committees consisting of at least one (1) person who is not a Director. Directors may be members of committees created pursuant to this Section provided that fewer than a majority of Directors then in office serve on any single committee. These

committees shall not be required to keep minutes but shall report on their activities to the Board from time to time as the Board directs and shall operate under the supervision of and at the direction of the Board. No advisory committee shall have the authority to enter into contracts or otherwise act on behalf of the Corporation. The Board shall have the right, at any time and in its complete discretion, to disband any advisory committee or remove any member thereof.

11.3 Compensation of Committee Members. No committee member shall receive compensation for any service they render to the Corporation as a committee member. However, upon Board approval, any committee member may be reimbursed for expenses actually incurred in the performance of their duties.

ARTICLE 12 BOOKS, RECORDS AND FUNDS

12.1 Inspection of Records. Corporation records shall, to the extent required by California law, including Corporations Code Section 14307, be available to any Eligible Person for inspection. The Bylaws and Article shall be available for any Member to inspect at the principal office of the Corporation, where copies may be purchased. Any request for records shall be limited to the three (3) calendar years preceding the written request for records. The Board may adopt and publish rules and regulations establishing procedures relating to an Eligible Person's inspection and the ability to obtain copies of Corporation records.

12.2 Use of Corporation Records, Generally. Corporation records and any information from them may not be sold, used for a commercial purpose, or used for any other purpose not reasonably related to a Member's interest as a Member. The Corporation may bring an action against any person who violates this Section for injunctive relief and for actual damages to the Corporation caused by the violation. This Section may not be construed to limit the right of the Corporation to damages for misuse of information obtained from the Corporation records pursuant to this Section or to limit the right of the Corporation to injunctive relief to stop the misuse of this information. The Corporation shall be entitled to recover reasonable costs and expenses, including reasonable attorneys' fees, in a successful action to enforce its rights under this Section.

12.2.1 Special Requirements for Membership Lists. A Member's request for the Corporation's list of Members, including name, property address, and mailing address shall be accompanied by the Member's written statement describing the purpose for which the list is requested, which purpose shall be reasonably related to the requester's interest as a Member. If the Corporation reasonably believes that the information in the list will be used for another purpose, it may deny the Member access to the list.

12.3 Checks, Drafts, and Evidences of Indebtedness. The Corporation's manager, President, or Treasurer shall sign all checks, drafts, or other orders for payment of money and all notes or other evidences of indebtedness, issued in the name of the Corporation.

12.4 Funds and Deposits. Any Corporation funds shall be deposited to the credit of the Corporation in such banks or other depositories as the Board shall, from time to time, determine.

12.5 Fiscal Year. The Corporation's fiscal year shall run from January 1 through December 31 of each year, unless the Board otherwise determines by resolution.

12.6 Delivery of Documents to Members.

12.6.1 Document Distribution. All notices and documents the Corporation distributes to Members shall be delivered by one (1) or more of the following methods:

12.6.1.1 Personal delivery.

12.6.1.2 First-class mail, postage prepaid, addressed to a Member at the address last shown on the Corporation's books or otherwise provided by the Member. Delivery is deemed to be complete on deposit into the United States mail.

12.6.1.3 Email, facsimile, or other electronic means, if the Member has agreed to that method of delivery. The agreement obtained by the Corporation shall be consistent with the conditions for obtaining consumer consent described in Corporations Code Section 20. If a document is delivered by electronic means, delivery is complete at the time of transmission.

12.6.1.4 By publication in a periodical that is circulated primarily to Members of the Corporation.

12.6.1.5 A method of delivery provided in a recorded provision of the Corporation's governing documents.

12.6.1.6 Any other method of delivery, provided that the Member has agreed to that method of delivery.

12.6.2 Delivery with Other Corporation Materials. A document may be included in or delivered with a billing statement, newsletter, or other document that is delivered by one of the methods provided in Section 12.6.1.

ARTICLE 13 AMENDMENTS

13.1 Amendment. These Bylaws may be amended or revoked in any respect by the vote or assent by written ballot of a majority of a quorum of the Members.

13.2 Amendment by Board of Directors. The Board may, without the approval of the Members, amend any part of these Bylaws to the limited extent necessary to comply with a change in applicable federal, state, or local law, ordinance, or regulation and to correct typographical errors.

ARTICLE 14 MISCELLANEOUS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation control. All Code references refer to the corresponding California Code unless otherwise specifically referenced

CERTIFICATE OF AMENDMENT AND ADOPTION

I hereby certify that:

- A. I am the Secretary of Lake Francis Mutual Water Company, Inc.
- B. The preceding *First Restated Bylaws of Lake Francis Mutual Water Company, Inc.*, consisting of 20 pages, were duly approved by the required vote of the Members of the Corporation on _____, 2021.
- C. The preceding First Restated Bylaws now constitute the Bylaws of the Corporation.

Executed: _____, 2021

Lake Francis Mutual Water Company, Inc.

_____, Secretary