

Summary of changes to BY-LAWS OF NEW AVENUE MUTUAL WATER CO.

Article 1. Shareholders Meeting Sections 1, 2 and 3 - change from Offices of the Corporation (there is none) to place as designated by the Board

Article 1, Section 8, Proxies and Article 2, Section 5, Removal of Directors - Correct to right section code of California Corporations Code

Article 2, Section 6, Place of Meetings - change from Offices of the Corporation to Directors personal homes

Article 2, Section 9, Meetings Notice - replace notice by telegram/ telegraph to email

Article 5, Section 6 Annual Report - update to be presented at annual Shareholders meeting and mailed out after annual Shareholders meeting

Article 7, Section 4, Assessments, Water Service - add additional new language clarifying rights of the Company and rights of members.

Add new Article 11 - Operation of the System - authorizes Board to hire a WaterMaster

Imbed previous amendments into their respective place within the By-Laws.

BY-LAWS  
OF  
NEW AVENUE MUTUAL WATER CO.

ARTICLE I  
SHAREHOLDERS MEETING

Section 1. PLACE OF MEETING: All meetings of the shareholders shall be held at the office of the corporation in the State of California, as may be designated for that purpose from time to time by the Board of Directors.

Section 2. ANNUAL MEETINGS: The annual meeting of the shareholders shall be held on the first Monday in June at 7:30 P.M., in the office of the corporation in each year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day, at which time the shareholders shall elect a board of directors, consider reports of the affairs of the corporation, and transact such other business as may properly be brought before the meeting.

Section 3. SPECIAL MEETINGS: Special meetings of the shareholders for any purpose or purposes may be called at any time by the president, a vice-president, the secretary, an assistant secretary, or by the Board of Directors, or by one or more shareholders holding not less than one-tenth (1/10th) of the voting power of the corporation. Upon request in writing by registered mail to the president, a vice-president, the secretary or an assistant secretary, directed to such officers' at the principal office of the corporation, in California, or delivered to such officer in person by any person entitled to call a meeting of shareholders, it shall be the duty of such officer forthwith to cause notice to be given to the shareholders entitled to vote of a meeting to be held at such time as such officer may fix not less than ten nor more than sixty days after the receipt of such request. If such notice shall not be given within seven days after the date of mailing or date of delivery of such request, the person or persons calling the meeting may fix the time of meeting and give notice thereof in the manner provided by these by-laws.

Section 4. NOTICE OF MEETINGS: Notices of special or annual meetings shall be given in writing to shareholders entitled to vote, by the secretary or the assistant secretary, or if there be no such officer, or in case of his neglect or refusal, by any director or shareholder.

Such notices shall be sent to the shareholder's address appearing on the books of the corporation, or supplied by him to the corporation for the purpose of such notice, not less than fifteen nor more than thirty days before such meeting. Notice of any meeting of shareholders shall specify the place, the day and the hour of meeting, and in the case of special meetings, the general nature of the business to be transacted.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in case of an original meeting, except that it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which such adjournment is taken.

Section 5. CONSENT TO SHAREHOLDERS' MEETING: The transactions of any meeting of shareholders, however called and noticed, shall be valid as though had 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, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Any action which may be taken without a meeting if authorized by a writing signed by all of the holders of shares who would be entitled to vote at a meeting for such purpose, and filed with the secretary of the corporation.

Section 6. QUORUM: The holders of a majority of the shares entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by law, by the articles of incorporation, or by these by-laws. If however, such majority shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person, or by proxy, shall have the power to adjourn the meeting, from time to time, until the requisite amount of voting shares shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. VOTING RIGHTS; CUMULATIVE VOTING: Only persons in whose names shares entitled to vote stand on the stock records of the corporation on the day of any meeting of shareholders, unless some other day be fixed by the board of directors for the determination of shareholders of record, then on such other day, shall be entitled to vote at such meeting.



Every shareholder entitled to vote shall be entitled to one (1) vote for each of said shares and shall have the right to cumulate his votes as provided in Section 2235, Corporations Code of California.

Section 8. PROXIES: Every shareholder entitled to vote may do so, either in person or by written proxy, executed in accordance with the provisions of Section 225 of the Corporations Code of California, and filed with the secretary of this corporation.

Section 9. ORGANIZATION: The president, or in the absence of the president, any vice-president, shall call the meeting of the shareholders to order, and shall act as chairman of the meeting. In the absence of the president and all of the vice-presidents, shareholders shall appoint a chairman for such meeting. The secretary of the company shall act as secretary of all meetings of the shareholders, but in the absence of the secretary at any meeting of the shareholders, the presiding officer may appoint any person to act as secretary of the meeting.

Section 10. INSPECTORS OF ELECTION: In advance of any meeting of shareholders the Board of Directors may, if they so elect, appoint inspectors of election to act at such meeting or any adjournments thereof. If inspectors of election be not so appointed, the chairman of any such meeting may, and on the request of any shareholder or his proxy shall, make such appointment at the meeting. The number of inspectors shall be either one or three.

## ARTICLE II

### DIRECTORS - MANAGEMENT

Section 1. POWERS: Subject to the limitations of the laws of the State of California, of the articles of incorporation, and of these by-laws as to 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 this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION: The authorized number of directors of the corporation shall be three' (3) until changed by an amendment to this section of these by-laws, adopted by the vote or written assent of the shareholders entitled to exercise the majority of the voting power of the corporation. (see amendment)

Section 3. ELECTION AND TENURE OF OFFICE: The directors shall be elected by ballot at the annual meeting of the shareholders, to serve for one (1) year and until their successors are elected and have qualified. Their term of office shall begin immediately after election.



Section 4. VACANCIES: Vacancies in the board of directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining directors, and each director so elected shall hold office until his successor is elected at an annual meeting of shareholders or at a special meeting called for that purpose.

The shareholders may at any time elect a director to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the by-laws is voted authorizing an increase in the number of directors.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation or removal of any director, or if the shareholders shall increase the authorized number of directors but shall fail at the meeting at which such increase is authorized, or at an adjournment thereof, to elect the additional director so provided for, or in case the shareholders fail at any time to elect the full number of authorized directors.

If the board of directors accepts the resignation of a director tendered to take effect at a future time, the board, or the shareholders, shall have power to elect a successor to take office when the resignation shall become effective.

No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 5. REMOVAL OF DIRECTORS: The entire board of directors or any individual director may be removed from office as provided by Sections 807, 810, and 811 of the California Corporations Code.

Section 6. PLACE OF MEETINGS: Meetings of the board of directors shall be held at the office of the corporation in the State of California, as designated for that purpose, from time to time, by resolution of the board of directors or written consent of all the members of the board. Any meeting shall be valid, wherever held, if held by the written consent of all the members of the board of directors, given either before or after the meeting and filed with the secretary of the corporation.

Section 7. ORGANIZATION MEETINGS: The organization meetings of the board of directors shall be held immediately following the adjournment of the annual meetings of the shareholders. Notice of such meetings is dispensed with.

Section 8. OTHER REGULAR MEETINGS: Regular meetings of the board of directors shall be held from time to time as may be established by the Board of Directors or on call of the President. No notice need be given of such regular meetings.

Section 9. SPECIAL MEETINGS; NOTICES: Special meetings of, the board of directors for any purpose or purposes shall be called at any time by the president or if he is absent or unable or refuses to act, by any vice president or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by letter or telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation, or if it is not so shown on such records, or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the corporation is located at least 48 hours prior to the time of holding of the meeting. In case such notice is delivered personally as above provided, it shall be so delivered at least 24 hours prior to the time of the holding of the meeting. Such mailing, telegraphing or personal delivery shall be due, legal and personal notice to such director.

Section 10. WAIVER OF NOTICE: When all the directors are present at any directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or if a majority of the directors are present, and if those not present sign in writing a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which said waiver shall be filed with the secretary of the corporation, the transactions thereof shall be as valid as if had at a meeting regularly called and noticed.

Section 11. DIRECTORS ACTING WITHOUT A MEETING: Any action required or permitted to be taken by the board of directors, may be taken without a meeting, and with the same force and effect as a unanimous vote of directors, if all members of the board shall individually or collectively consent in writing to such action.

Section 12. NOTICE OF ADJOURNMENT: Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 13. QUORUM: A majority of the number of directors as fixed by the articles or by-laws shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a minority of the directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

Section 14. COMPENSATION OF DIRECTORS: Directors, as such, shall not receive any stated salary for their services, but by resolution of the Board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the company in any other capacity and receiving compensation therefor.



### ARTICLE III

#### OFFICERS

Section 1. OFFICERS: The officers shall be a president, one or more vice presidents, a secretary and a treasurer, which officers shall be elected by, and hold office at the pleasure of, the board of directors.

Section 2. ELECTION: After their election-the directors shall meet and elect a president from their own number, and one or more vice presidents, a secretary and a treasurer, who may, but need not be, members of the board of directors. Any two or more of such offices, except those of president and secretary, may be held by the same person.

Section 3. COMPENSATION AND TENURE OF OFFICE: The compensation and tenure of office of all the officers of the corporation shall be fixed by the board of directors.

Section 4. REMOVAL AND RESIGNATION: Any officer may be removed, whether with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the board, or, except in case of an officer chosen by the board of directors, by any officer upon whom such power or removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the board of directors or to the president, or to the secretary of the corporation. Any such resignation shall take effect at 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.

Section 5. VACANCIES: A vacancy in any office because of death, resignation, removal, disqualification or other cause shall be filled in the manner prescribed in the by-laws for the regular appointments to such office.

Section 6. PRESIDENT: The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision, direction and control of the business affairs of the corporation. He shall preside at all meetings of the shareholders and of the board of directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or by the by-laws.

Section 7, VICE PRESIDENT: The vice president shall, in the order designated by the board of directors, in the absence or



disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties as the board of directors shall prescribe.

Section 8. SECRETARY: The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the board of directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether/regular or special, and if special, how authorized, the notice given thereof, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or a duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all the meetings of the shareholders and of the board of directors required by the by-laws or by law to be given; he shall keep the seal of the corporation and affix said seal to all documents requiring a seal, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or the by-laws.

section 9. TREASURER: The treasurer shall receive and keep all the funds of the corporation, and pay them out only on the check of the corporation, signed in the manner authorized by the board of directors.

section 10. ASSISTANTS: Any assistant secretary or assistant treasurer, respectively, may exercise any of the powers of secretary or treasurer, respectively, as provided in these by-laws or as directed by the board of directors, and shall perform such other duties as are imposed upon them by the by-laws or the board of directors.

Section 11. SUBORDINATE OFFICERS: The board of directors may from time to time appoint such subordinate officers or agents as the business of the corporation may require, fix their tenure of office and allow them suitable compensation.

#### ARTICLE IV

##### EXECUTIVE AND OTHER COMMITTEES

The board of directors may appoint an executive committee, and such other committees as may be necessary from "time to time, consisting of such number of its members and with such powers as it may designate, consistent with the articles of incorporation and by-laws and the California corporation laws. Such committees shall hold office at the pleasure of the board.

## ARTICLE V

### CORPORATE RECORDS AND REPORTS

Section 1. RECORDS: The corporation shall maintain adequate and correct accounts, books and records of its business and properties. All of such books, records and accounts shall be kept at its principal place of business in the State of California, as fixed by the board of directors from time to time.

Section 2. INSPECTION OF BOOKS AND RECORDS: All books and records provided for in Sections 3003 through 3005 of the California Corporations Code shall be open to inspection of the directors and shareholders from time to time and in the manner provided by said sections.

Section 3. CERTIFICATION AND INSPECTION OF BY-LAWS: The original or a copy of these by-laws, as amended or otherwise altered to date, certified by the secretary, shall be open to inspection by the shareholders of the company as provided in Section 502 of the California Corporations code.

Section 4. CHECKS, DRAFTS, ETC.: 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 person or persons and in such manner as shall be determined from time to time by resolutions of the board of directors.

Section 5. CONTRACTS, ETC. - HOW EXECUTED: The board of directors, except as in the 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. Such authority may be general or confined to specific instances. Unless so authorized by the board of directors, 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 to any amount.

Section 6. ANNUAL REPORT: The board of directors shall cause annual reports to be made to the shareholders as provided by Section 3006 of the California Corporations Code. Such annual reports shall be sent to the shareholders not later than 120 days after the close of the fiscal or calendar year.



## ARTICLE VI

### CERTIFICATE AND TRANSFER OF SHARES

section 1. CERTIFICATES FOR SHARES: Certificates for shares shall be of such form and design as the board of directors may designate and each certificate shall state the date of incorporation; the capital structure; the name of the record holder of the shares represented thereby; its number; date of issuance; the number of shares for which it is issued; the par value, if any, or a statement that such shares are without par value; a statement of the rights, privileges, preferences, and restrictions, if any; a statement as to redemption or conversion, if any; a statement of liens or restrictions upon transfer or voting, if any; if the shares be assessable, or if assessments are collectible by personal action, a plain statement of such facts.

Every certificate for shares shall be signed by the president or vice president and secretary or an assistance secretary.

Section 2. SHARES APPURTENANT TO LOTS: Shares in the corporation are appurtenant to and run with the land described in the articles of incorporation, one (1) share for each approved lot in the said land where subdivided, and where not yet subdivided one (1) share for each separate parcel. Only the beneficial owners of lots in the described land (except where not yet subdivided) shall be eligible to own shares in the corporation.

There shall be no fractional shares issued.

Upon sale of any lot, the former beneficial owner shall automatically be divested of any share in the corporation, during any period when stock transfer books are closed. Any subsequent owner of such lot shall be entitled to a share in the corporation by virtue of his ownership thereof and during such times as he is not in default of his duties as a shareholder. Where title is vested in more than one person, stock shall be issued to the vestees thereof. Upon exhibition to the secretary of a properly executed conveyance, or when title to any parcel passes by' execution, sale, or by foreclosure or probate proceedings, duly recorded, the grantee shall be issued a new share certificate to the new owner. Thereafter, the secretary shall enter the name of the said grantee upon the books of the corporation as the owner of the share, and shall cancel on the books the share of the former owner of land.

Section 3. TRANSFER ON THE BOOKS: Upon surrender to the secretary or transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 4. LOST OR DESTROYED CERTIFICATES: Any person claiming a certificate of stock to be lost or destroyed shall have



an affidavit or affirmation of that fact and advertise the same in such manner as the board of directors may require, and shall if the directors so require give the corporation a bond of indemnity, in form and with one or more sureties satisfactory to the board, in at least double the value of the stock represented by such certificate, whereupon a new certificate may be issued of the same tenor and for the same number of shares as the one alleged to-be lost or destroyed.

Section 5. TRANSFER AGENTS AND REGISTRARS: The Board of Directors may appoint one or more transfer agents or transfer clerks, and one or more registrars, which shall be an incorporated bank, trust, or title and escrow company, either domestic or foreign, who shall be appointed at such times and places as the requirements of the corporation may necessitate and the board of directors may designate.

Section 6. CLOSING STOCK TRANSFER BOOKS: The Board of Directors may close the transfer books in their discretion for a period not exceeding 30 days preceding any meeting, annual or special, of the shareholders, or the day appointed for the payment of a dividend.

## ARTICLE VII

### REVENUE AND REGULATIONS

Section 1. SALE OF WATER; RATES: Water shall be sold to shareholders at cost for domestic purposes. Such cost shall include all necessary repairs, maintenance, replacement of facilities, and all necessary funds in anticipation thereof. Rates shall be as established by the Board of Directors. In the event some new or special facilities must be constructed, replaced, or repaired which benefit less than all of the shareholders, the cost of such construction, replacement, or repair may be allocated\_ by the Directors to those shareholders benefited thereby.

Section 2. RULES; ALLOCATION OF WATER: The directors shall be authorized to adopt rules for the use of water or the storage thereof in times of shortage if deemed necessary for the protection of the supply to all shareholders.

Section 3. CHARGES; BUDGET: The Board of Directors shall establish such charges, rates, and assessments for the use of water as it deems appropriate. In the event water meters are not used, the board of directors shall, during the month of January prepare a proposed budget for the following year. Such proposed budget shall be submitted to the membership at least thirty (30) days prior to the annual meeting.

The board of directors elected at the annual meeting of the shareholders shall, within thirty (30) days after the annual meeting, adopt a budget which need not be the same as that proposed by the prior board of directors.

Section 4. ASSESSMENTS, WATER SERVICE: In the event the board adopts an assessment or a periodic payment schedule for water service, it shall be authorized to enforce, payment thereof by terminating water service in the event of delinquency in payment of either for more than thirty (30) days. In addition thereto, any such payments, may be made the subject of and secured by a lien by recording a Notice of Delinquent Assessment which shall contain the following:

A. A statement of the delinquency, its date, and the amount of it.

B. A description of the parcel for which there is a delinquency and the name of the owner thereof so far as known to the corporation.

C. A statement that the delinquency and the assessment lien will be removed upon payment of the said sum, together with interest thereon at the rate of ten (10%) per cent from the date of delinquency, recording fees and costs, and necessary expenses incurred in preparing such notice of delinquency.

In addition thereto, rights as a shareholder may be suspended during the period of any delinquency by the board of directors.

Section 5. SALE OF WATER: During such: periods as the board of directors finds there is an excess supply of water over and above the needs of the shareholders, the corporation may, with the concurrence of a majority of the shareholders entitled to vote at a meeting called for that purpose, sell such surplus water to any buyer or buyers.

#### ARTICLE VIII

##### AMENDMENTS TO BY-LAWS

Section 1. AMENDMENT BY SHAREHOLDERS,: New by-laws may be adopted or these by-laws may be repealed or amended at the annual meeting, or at any other meeting of the shareholders called for that purpose, by a vote of shareholders entitled to exercise a majority of the voting power of the corporation; or by written assent of each shareholder.

Section 2. RECORD OF AMENDMENTS: Whenever an amendment or new by-law is adopted, it shall be copied in the book of by-laws with the original by-laws, in the appropriate place. If any by-law is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in said book.

CERTIFICATE OF ADOPTION OF BY-LAWS

NEW AVENUE MUTUAL WATER COMPANY  
A California Corporation

ADOPTION BY BOARD OF DIRECTORS

The undersigned, being all of the one or more persons appointed in the Articles of Incorporation to act as the one or more first directors of the above named corporation (or being their duly appointed successors) hereby assent to the foregoing By-Laws, and adopt the same as the By-Laws of the said corporation.

Executed this 22 day of November, 1977

Stephen Malone, Sr.

That I am the duly elected, qualified and acting secretary of the above named corporation and that the above and foregoing By-Laws were adopted as the By-Laws of said corporation on the date set forth above by the person appointed in the Articles of Incorporation to act as the first director of said corporation, or the duly appointed successors thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 25 day of November, 1977.

Barbara D Howell  
Secretary



## MINUTES OF MEETING OF SHAREHOLDERS

The shareholders of NEW AVENUE MUTUAL WATER CO. met on the 21st day of March 1979 at 4:00 p.m. at 1960 The Alameda pursuant to a notice of special meeting sent by the president, a copy of which is attached to these minutes.

There were present the President, Stephen Malone, who acted as chairman, Barbara Howell, Ronald Norman, and Robert Sturges, the attorney for the corporation.

The chairman stated that the purpose of the meeting was to consider two proposals, that is that the Articles of Incorporation be amended to provide that the description of the service area of the corporation, that is, the area of property to be served by the corporation, should be set out in the ByLaws rather than the Articles.

He then stated that it was the purpose of the meeting to redefine the properties to be served by the water company so that real property now being developed by L&L Properties would become part of the system, and so as to add twenty additional users. The original water system, he explained, was designed for and had ample capacity for 195 users, but because of zoning changes by the Board of Supervisors, the area to be served can only be developed into 105 lots. The proposal to add the property being developed by L&L Properties would increase the number of connections by 20, that is, to a total of approximately 125, and this number would be well under the capacity of the water system.

After some further discussion, the following was moved, seconded, and unanimously adopted:

RESOLVED, that Article V of the Articles of Incorporation of this corporation be amended to read as follows:

"TITLE: .Limitation on Share Ownership and Transfer:

Ownership of shares in the Corporation shall be limited to owners of lots, one share for each lot, in the area served by the New Avenue Mutual Water Company. That area shall be described in the By-Laws of the Corporation.

By appropriate amendment to the By-Laws, additional land may be included in the service area of this Corporation."

The chairman then stated that it would be appropriate to adopt a proposed Article X to the By-Laws to reflect the proposed change of boundaries of the mutual water system, and after some further discussion, the following was moved, seconded, and, unanimously adopted:

RESOLVED, that Article IX is hereby added to the By-Laws to read as follows:

"ARTICLE IX

AREA OF SERVICE

Section 1. The area served by the corporation shall be that area described in Exhibit "A" attached to this Amendment to the By-Laws."

The president then suggested that in order to better conduct the activities of the corporation and hold membership meetings which would be capable of acting that the definition of a quorum in the By-Laws be amended to provide that holders of 20% of the shares entitled to vote would constitute a quorum. He presented a form of a portion of the By-Laws which would carry this into effect, and after some further discussion, the following was moved, seconded, and unanimously adopted:

RESOLVED that Article I, Section 6 of the By-Laws of NEW AVENUE MUTUAL WATER CO. is hereby amended to read as follows:

"Section 6. QUORUM: The holders of 20% of the shares entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws.

If however, such majority shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote there at, present in person, or by proxy, shall have the power to adjourn the meeting, from time to time, until the requisite amount of voting shares shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified."

There being no further business to come before the membership, the meeting was adjourned.

STEPHEN MALONE, SR., PRESIDENT

ATTEST:

*Barbara D Howell*

BARBARA HOWELL, Secretary



RESOLUTION

IT IS HEREBY RESOLVED that Article I, Section 6 of the By-Laws of NEW AVENUE MUTUAL WATER CO. is hereby amended to read as follows:

"Section 6. QUORUM: The holders of 20% of the shares entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws. If however, such majority shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person, or by proxy, shall have the power to adjourn the meeting, from time to time, until the requisite amount of voting shares shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified."

ARTICLE IX is added to the By-Laws to read as follows:

"ARTICLE IX

AREA OF SERVICE

Section 1. The area served by the Corporation shall be that area described in Exhibits "A" attached to this Amendment to the By-Laws. "

The foregoing Resolutions were adopted by a majority of the shareholders of NEW AVENUE MUTUAL WATER CO. at a meeting called for that purpose on March 21, 1979.

STEPHEN MALONE, SR., PRESIDENT

ATTEST:

Barbara D Howell

BARBARA HOWELL, Secretary

NEW AVENUE MUTUAL WATER COMPANY

a California Corporation

ADMENDMENT TO BY-LAWS 1981-82

ADDITION TO BOARD OF DIRECTORS

Under the guidelines set forth in the adopted Corporation By-Laws, ARTICLES of INCORPORATION, and voting of the majority of shareholders, in a meeting of shareholders on July 27, 1981, the number of Board of Directors, in this Corporation is amended to five (5). This action is in accordance to Article VIII, Section 1, and Section 2, which specifies the procedure necessary to properly enact this change to the original By-Laws, dated 1977.

Effective July 27, 1981, the New Avenue Mutual Water Company will have five (5) members to its Board of Directors. It will consist of one President, three Vice-Presidents, and one Secretary-Treasurer. All other information as to the duties of each officer shall remain as originally set forth in the Articles of Incorporation, 1977.

this 27th day of July, 1981,

Perry D. Urton, President/General Mgr. .

**NEW AVENUE MUTUAL WATER COMPANY A California  
Corporation**

**FEBRUARY 11, 1997**

**RESOLUTION TO AMEND THE BY-LAWS**

**ARTICLE X**

**PURPOSE AND ASSET DISTRIBUTION UPON DISSOLUTION**

**Section 1. PURPOSE:** The purpose of the Corporation is to provide water for domestic purposes, maintaining the water system, repairing and testing as required, and being sold to Shareholders (Required to be lot owners) at cost of providing service. This activity was started in March, 1977, at New Avenue Development in Santa Clara County (See Articles of Incorporation for physical location description.)

**Section 2. ASSET DISTRIBUTION:** Asset distribution upon dissolution of the Corporation shall be distributed as follows. Gains from the sale of appreciated assets shall be distributed to all past and current Shareholders who were members during the period in which the asset was owned by the water company in proportion to the amount of business done by such members during that period, insofar as is practicable (In accordance with the requirements of section 501(c)(12) of the Internal Revenue Code of 1954). All other assets upon dissolution shall be distributed equally, by lot ownership, to all then current Shareholders.

**THE FOREGOING RESOLUTION WAS ADOPTED BY A MAJORITY OF THE  
SHAREHOLDERS OF NEW AVENUE MUTUAL WATER COMPANY BY WRITTEN VOTE FOR  
THAT PURPOSE WITH THE DECIDING VOTES RECEIVED ON FEBRUARY 11, 1997.**

**KEITH VERBLE, President**

**ATTEST:**

**TIM BURKE, Secretary**