By-Laws of
EL DORADO MUTUAL WATER COMPANY
(Revised as Amended to April 1988)

ARTICLE I
CORPORATE POWERS AND OFFICE

Section 1. The corporate powers, business and property of this corporation shall be vested in, and exercised, conducted, and controlled by a board of five directors, who shall be stockholders of the company. Whenever any vacancies occur in the office of director (except in the case of removal of the Board of Directors and election of a new Board) such vacancies shall be filled by the appointment of the Board of Directors, and any person so appointed shall hold office for the remainder of the term and until his successor is elected.

(Amendment No. 4—11/5/56)

Section 2. The official mailing address of this Corporation shall be designated as P.O. Box W, Palmdale, California. The Office and records of the Corporation shall be at an address as currently negotiated by the Secretary and the Board of Directors.

(Amendment No. 5—2/1/58)

ARTICLE II
OFFICERS

Section 1 The officers of this corporation shall consist of the Directors, President, Vice-President, Secretary, and Treasurer.

Section 2. The Secretary and Treasurer shall not be a member or members of the Board of Directors.

(Amendment No. 6—2/1/58)

Section 3. The powers and duties of the Secretary and Treasurer may at the direction of the Board of Directors be exercised and performed by the same person.

Section 4. The compensation which each of said officers shall receive, and the manner and time of its payment, shall be fixed and determined from time to time by the Board of Directors. No one of said officers shall be entitled to, or receive, any compensation or salary, except as the same may be approved and authorized by action of the Board of Directors.

ARTICLE III
POWERS AND DUTIES OF DIRECTORS

The Board of Directors shall have power:

Section 1. To appoint and remove at pleasure all the officers, agents and employees of the corporation, prescribe such duties for them as may not be inconsistent with these By-Laws and the laws of the State of California, fix their compensation, and require from them security for faithful service.

Section 2. To conduct, manage, and control the affairs and business of the corporation, and to make rules and regulations for the distribution of water not inconsistent with these By-Laws, the Articles of Incorporation of the Company, and the laws of the State of California, as they may deem best. Generally to do and perform every act and thing whatsoever that may pertain to the office of a director of said corporation.

Section 3. To issue or cause to be issued at any time and from time to time, certificates of stock. All such certificates and receipts for stock shall be signed by the President and Secretary.

Section 4. The Board of Directors shall have power to adjust water rates at any time, provided that 60 days notice shall be given the Stockholders of such change (any given change to be effective on the first day of any month) for which water shall be furnished to the shareholders and to the lands of the shareholders of said corporation, but said rates and charges shall not impair or limit the right of the Board of Directors to levy assessment on the capital stock of the corporation. To levy and collect assessments on the subscribed capital stock of the company in the manner and form and to the extent permitted by the laws of the State of California. Any monthly assessment on the subscribed capital stock of the Corporation in excess of $20.00 (Twenty Dollars) per share; exclusive of road assessments under Article XIV; must be approved in writing by a majority of stockholders. This amends, supersedes, replaces, changes and takes precedence over any language in any article and in any section of the By-Laws.

(Amendment No. 11—2/1/58; Amendment No. 13—4/16/88)

Section 5. To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt, and securities therefor; provided, however, that any borrowing of money or incurrence of debts by the corporation in excess of $100,000 (one hundred thousand dollars) shall require the written approval by a majority of the stockholders. This limitation on the power of the Board of Directors, however, shall not impair its right to take immediate action, including the borrowing of money and/or incurrence of obligations in excess of $100,000, in order to restore the water system to service as soon as possible following its damage or partial destruction by a natural disaster, accident or other calamity.

(Amendment No. 14—4/16/88)

Section 6. To designate the officers, and agents of the corporation who shall have power in the name of the corporation, and on its behalf, to sign and execute deeds, conveyances, mortgages, leases, promissory notes, checks, bills of exchange, contracts, obligations, certificates, and other papers and instruments in writing.

Section 7. The Board of Directors shall authorize and cause to be completed, an audit of the records and financial activities of the Corporation by a Certified Public Accounting firm at least once every three years, or more frequently, at the discretion of the Directors, commencing with the fiscal year 1987-88.

(Amendment No. 15—4/16/88)

ARTICLE IV
ELECTION OF DIRECTORS

Section 1. The directors shall be elected annually by the stockholders, at the annual meeting of the stockholders. Their term of office shall begin immediately after election and shall continue until their successors are elected, or until a vacancy occurs. Vacancies in the Board shall be filled as provided in Section 1 of Article I of these By-Laws.

Section 2. All elections for directors shall be by ballot. At all elections or voting had for any purpose, there must be a majority of the subscribed capital stock represented either in person or by proxy, or by representative, of a bona fide stockholder having stock in his own name on the books of the corporation at least ten days prior to the election.

Section 3. Any replacement on the Board of Directors shall be limited to two or the number of vacancies on the Board if they exceed two.

(Amendment No. 16—4/16/88)

ARTICLE V
PRESIDENT

Section 1. The powers and duties of the President are:

First: To preside at all meetings, regular and special, of the stockholders and of the Board of Directors.

Second: To call special meetings of the Stockholders and also of the Board of Directors, to be held at a place designated or negotiated by him. Such meetings shall be held in the near vicinity of Palmdale, California.

(Amendment No. 7—2/1/58)

Third: To supervise and control, subject to the direction of the Board of Directors, all the officers, agents, and employees of the company.

Section 2. All the powers and duties hereby or by law conferred or imposed upon the President, may be exercised and performed by him either within the State of California or elsewhere.

Section 3. If the President or Vice-President is not present at any meeting of the Board of Directors, or of the stockholders, a President pro tem may be chosen to preside and act at such meeting.

Section 4. In case of the absence or disability of the President, the Vice-President shall take his place and perform his duties.

ARTICLE VI

SECRETARY

Section 1. The powers and duties of the Secretary are:

First: To keep a full and complete record of the proceedings of the Board of Directors and of the meetings of the stockholders.

Second: To keep the seal of the corporation and to affix the same to all instruments executed by the President or other officer of the corporation by authority of the Board of Directors which may require it.

Third: He shall keep a proper Transfer Book and a Stock Ledger in debit and credit form showing the number of shares subscribed for, issued to, and transferred by any stockhoder, and whether appurtenant to land or not, and if appurtenant, to what land, the dates of subscription, issuance and transfer, and the amount paid in thereon and by whom. He shall also keep a record of the corporation's assets and its liabilities, and the names and places of residence of its officers.

Fourth: To transfer upon the stock book of the corporation any and all shares of the stock upon presentation by the endorsee for transfer of certificates properly endorsed, and upon making the transfer he shall take the receipt of the said endorsee for such new certificates; provided, however, that no certificate of stock shall be issued and delivered, or if issued, and delivered, shall have no validity until it has been signed by the President or Vice-President of the corporation

Fifth: To make service and publication of all notices that may be required by law, the Articles of Incorporation or these By-Laws, without command or direction from anyone. Until and unless the directors, by resolution entered on the minutes of the Board, provide otherwise, notices required to be published in a newspaper shall be published in the Los Angeles Daily Journal.

In cases of absence, inability, refusal or neglect of the Secretary to make service or publication of any notices, then such notices may be served and published by the President, Vice-President, or by any person thereto authorized by them or by the Board of Directors.

Sixth: Generally to do and perform all such duties as pertain to his office and as may be required by the Board of Directors.

Seventh: The Secretary shall send written notification to each stockholder upon a vacancy on the Board of Directors. Applications will be accepted for applicant to Board for 30 days following notification date of mailing.

(Amendment No. 17—4/16/88)

ARTICLE VII

POWERS AND DUTIES OF TREASURER

Section 1. To safely keep all money of the corporation which may come into his hands from time to time and deposit the same to the credit of the Corporation in such depositories as may be designated by the Board of Directors. To pay out said monies upon the order of such officers and agents as may by resolution of the directors be authorized to draw upon and against the same, taking proper vouchers for all disbursements.

Section 2. To audit at the close of each calendar month the account or accounts of the corporation with any bank or other depository with which the corporation shall carry an account, and to file in the office of the corporation the vouchers received from such bank or other depository together with an account of his disbursements and his vouchers therefor.

Section 3. To do and perform all such other duties as pertain to his office and as may be required by the Board of Directors.

ARTICLE VIII

STOCKHOLDER'S MEETING

Section 1. There shall be a regular, annual meeting of the stockholders of this corporation on the third Saturday of September of each and every year (effective September, 1988) at two o'clock p.m. (of that day) at the office of the corporation, provided that should said Saturday of September fall upon a legal holiday, the said annual meeting of the stockholders may be held on the next legal Saturday thereafter ensuing, at the same time and place.

(Amendment No. 1—9/10/50; Amendment No. 2—11/14/55; Amendment No. 3—2/1/58; Amendment No. 18—4/16/88)

At said regular annual meeting, directors of the corporation shall be elected to serve for the ensuing year and until their successors are elected or appointed. At all meetings of the stockholders (whether regular, special or adjourned) each share of stock shall entitle the duly qualified holder thereof to one vote. No stock shall be voted at any such meeting unless the same shall appear on the stock books of the corporation in the name of the person holding said stock at least ten days prior to such meeting. All proxies shall be in writing, subscribed by the party entitled to vote the number of shares represented, thereby; provided, that in case of any meeting of the stockholders whatsoever shall have been for any cause adjourned, the same proxies shall be valid and may be exercised at such adjourned meeting.

Any business which might be done at a regular meeting of the stockholders may be done at a special meeting or at an adjourned meeting. If no quorum be present at any meeting of the stockholders, such meeting may be adjourned by those present from day to day, from time to time, or until such quorum shall be obtained. Such adjournment and the reason therefor being recorded in the Journal of its Proceedings.

The shares of stock of an estate, of a minor, or incompetent person may be represented by its guardian, and of a deceased person by his executor or administrator, and, except when otherwise agreed, all shares of stock standing on the books of the corporation in the name of any person as pledgee or trustee, may be represented or voted by such pledgee or trustee only when such pledgor or beneficial owner fails to represent and vote the same.

(Amendment No. 10—2/1/58)

Section 2. A special meeting of the stockholders may be held at any time upon the order of the President, and the President or Secretary shall call a meeting at any time upon the written request of any three directors, or of stockholders holding one-third of the subscribed stock, stating the object for which they wish said meeting called.

Section 3. Notice of both annual and special meetings of the stockholders shall be given by depositing a written notice thereof in the Post Office at the principal place of business of the corporation, postage prepaid, not less than ten days and not more than twenty days prior to the date of meeting, addressed to each stockholder at his address as the same appears of record on the books of the corporation, or if his address does not appear on the books of the corporation, then at the City and County of the principal place of business of the corporation.

(Amendment No. 8—2/1/58)

The attendance in person or by proxy of a stockholder at a meeting shall be deemed a waiver of notice of the meeting, and those not present may waive said notice by an instrument in writing signed by them, which waiver must be presented at the meeting and noted in the minutes thereof. The acts, votes and doings of any meeting of stockholders shall be valid as to all stockholders present or waiving notice in writing, as if the meeting has been regularly called and they had been regularly notified thereof.

Section 4. The Board of Directors are authorized and empowered to consent to the holding of special or annual meetings of shareholders of this company at such place as they may designate.

(Amendment No. 1—9/10/54)

ARTICLE IX
DIRECTORS' MEETINGS

Section 1. The directors shall meet monthly at the office of the corporation as fixed and located by Section 2 of Article I of these By-Laws, on the fourth Tuesday of each month, at 7:30 o'clock p.m. of that day. No notice of said regular monthly meeting shall be required.

(Amendment No. 19—4/16/88)

Section 2. Special meetings of the Board of Directors may be called at any time by order of the President, and the President shall at any time call a special meeting of the Board of Directors upon written request of two of said Directors. Notice of the time and place of a special meeting shall be given either by leaving a notice in writing stating said time and place at least twenty-four (24) hours prior to such meeting at the place of residence of each director in the County of Los Angeles, State of California, as the same appears on the books of the corporation, or, if it does not appear there, at the City of Los Angeles, said County and State; or by depositing such notice in writing in the Post Office at the principal place of business of the company, with postage thereon prepaid, addressed to each director at his place of residence, at least forty-eight (48) hours prior to the date of such meeting. The Secretary or other officer giving such notice shall file a copy thereof with a certificate of service, with the Secretary prior to the holding of said meeting, and a note of the filing of such certificate shall be entered in the minutes of such meeting, and shall be prima facie evidence that said notice has been given and received in accordance with these By-Laws. The attendance of any director at a special meeting be as to him a waiver of said notice. And any director may waive notice of a special meeting by instrument in writing signed by him and filed with the Secretary.

Section 5. A majority of the Directors shall constitute a quorum. Unless a quorum is present and acting, no business may be performed or act done by the Board of Directors at either a regular or special meeting. No adjournment of a meeting at which less than a quorum is present shall be effective for any purposes.

Section 6. Monthly meetings of the Board of Directors shall be open, to allow attendance of shareholders, with the exception of executive sessions which shall be closed.

(Amendment No. 20—4/16/88)

ARTICLE X
AMENDMENT OF BY-LAWS

Section 1. These By-Laws may be repealed or amended or new By-Laws may be adopted at the annual meeting or at any other meeting of the stockholders called for that purpose, by a vote representing two-thirds of the subscribed stock. The written assent of the holders of two-thirds of the subscribed stock shall be effectual to repeal or amend any By-Laws, or to adopt additional By-Laws.

(Amendment No. 9—2/1/58)

Section 2. Whenever any amendment is made or new By-Law is adopted, it must be copied in the books of By-Laws with the original By-Laws, and immediately after them. If any By-Law is repealed, the fact of repeal with the date of meeting at which the repeal was enacted, or written consent was filed, must be stated in the margin of the page of said book where said By-Law appears. Until copied or stated as hereinbefore required, no By-Law nor any amendment, or repeal thereof, shall be binding on any stockholder not consenting in writing thereto.

ARTICLE XI
USE OF WATER

Section 1. The water of the corporation shall ony be sold, distributed, supplied or delivered to owners of the capital stock of the corporation, and such stock shall be appurtenant to certain lands when the same are described in the certificate issued therefor.

Section 2. Water shall only be sold, distributed, supplied or delivered to those certain lands situated in the County of Los Angeles, State of California, and more particularly described as follows: Section Nine (9), Township; Six (6) North, Range; Twelve (12) West, S.B.B. & M.

ARTICLE XII
SHARES OF STOCK

Section 1. Stock may be issued by this corporation without being made appurtenant to any certain lands, but at any time thereafter such stock, at the request of the owner therof, shall be located on and made appurtenant to any lands, owned by him with the district served by this corporation as limited and described in Article XI of these By-Laws. And thereafter the shares of stock so located on any land shall only be transferred with said land and shall pass as appurtenant thereto, subject to the provisions of these By-Laws.

Section 2. No owner of stock may require that his stock be made appurtenant to land or that water be delivered to land where service to such land will deprive other land of water service appurtenant thereto.

Section 3. The corporation shall have a lien on each and every share of its stock whether appurtenant to land or not, to secure the payment of all assessments levied thereon and for all rates and charges for water furnished on account of the ownership of said share, together with legal interest on such sums so due the corporation and disbursements for the collection of the same. Said corporation may sell said shares for the nonpayment of the assessments thereon in the manner and form provided by law, and upon such sale, said stock, if appurtenant, shall cease to be appurtenant to the land described in said certificate and may be made appurtenant to the land described in said certificate and may be made appurtenant to other land within the district to be served by the corporation at the direction and in the descretion of the Board of Directors. The corporation shall have the power to sell and dispose of any shares of stock upon which it has a lien for rates and charges for water furnished on account of the ownership thereof, in the manner provided by law for sales in the case of pledges of personal property, and notice to the stockholder of the shares shall be given in the manner herein provided for notice to a shareholder of a meeting of stockholders, and upon such sale said stock, if appurtenant, shall cease to be appurtenant to the land described in said certificate and may be made appurtenant to other land within the district to be served by the corporation at the direction and in the discretion of the Board of Directors.

Section 4. If any stockholder shall refuse or fail to pay the water rate and charges as fixed and established by the Board of Directors, the officers of the corporation shall disconnect the distributing system from his land and shall not furnish water to said land or to said stockholder or to his successors or to any person claiming by virtue of said shares of stock, until said water rates and charges in default and the expense of disconnection and reconnection and the expenses incurred for the collection of sums due the corporation, shall have been paid by or for such stockholder.

Section 5. All transfers of shares shall be subject to said liens of said corporation, and if said shares shall have been made appurtenant to certain land and have not been sold by the corporation to pay any assessment, rates or other charges, the transfer of shares shall be subject to the rights of the owner of the land to which they are appurtenant.

ARTICLE XIII
CERTIFICATE OF STOCK AND SEAL

Section 1. Certificates of stock in this corporation shall be in form and device as approved by the officers and directors.

Section 2. The corporation shall have a seal in form, words and figures, to-wit:

EL DORADO MUTUAL WATER COMPANY
CALIFORNIA — JULY 14, 1948

ARTICLE XIV

Section 1. The Corporation shall be empowered to: repair, develop, construct and maintain: the Streets, Roads and Easements, including necessary drainage, within its legal jurisdiction; to establish a separate Road fund and collect assessments or charges for the expense thereof in the same manner as provided heretofore in these By-Laws governing water charges and assessments; to loan or borrow money for road purposes to the extent of the limitations enacted by the Stockholders; to connect paving of private streets (existing undedicated streets) with public roads (County and State) at intersections; to convey, Deed or Contract for the upkeep of any part of the Road system; to establish regulations for the use of the Private Streets; to set uniform specifications on Driveways and on installations involving easements.

(Amendment No. 21—4/16/88)

Section 2. The assessments and charges for Road and easement purposes shall be equally divided among the property owners on the basis of 1¼ acre parcels or a fraction thereof. The initial road charge on each 1¼ acre parcel or fraction thereof shall not exceed Thirty Dollars ($30.00) for the first eighteen (18) months. Thereafter the road charges shall be limited to a maximum of Eight Dollars ($8.00) yearly on each 1¼ acre parcel or fraction thereof.

The initial Thirty Dollars ($30.00) charge shall be divided into three (3) semi-annual installments of Ten Dollars ($10.00) each. A carrying charge of 5% will be added to accounts not paid within 30 days and on unpaid balances every six months.

Amended 2/27/1979 to increase annual road assessment by $25.00 per 1-¼ acre parcel, for a total of $26.40 per share maximum annual road assessment.

Section 3. The provisions in this Article may be revised by a majority vote or written consent of the Stockholders.

(Amendment No. 12—1/15/61)

WRITTEN ASSENT TO BY-LAWS

KNOW ALL MEN BY THESE PRESENT: That we, the undersigned, being the holders and owners of all subscribed capital stock of El Dorado Mutual Water Company, a corporation, under the laws of the State of California, and having its principal place of business in the City of Los Angeles and County of Los Angeles in said State, hereby assent to the foregoing By-Laws and adopt the same as and for the By-Laws of said Corporation.

IN WITNESS WHEREOF: we have hereunto subscribed our names this 17th day of July, 1948.

Signed: JOHN C. PACKARD
Signed: SHANE MORGAN
Signed: D.A. YOUNG

ARTICLE XIV SECTION 2: AMENDED 9-20-03
The assessments and charges for Road and Easement purposes shall be divided among the property owners by the Board of Directors in a fair and equitable manner based on extent of the owner's respective use of the roads provided that each owner shall pay at least Twenty six dollars and 40 cents ($26.40) per share per year on each 1.25 acre parcel or fraction thereof.