AMENDED AND RESTATED BYLAWS OF THE KINGVALE PROPERTY OWNERS AND WATER USERS, INC.

Effective as of July 5, 2025

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KINGVALE PROPERTY OWNERS AND WATER USERS, INC.

THE REVISED BYLAWS of Kingvale Property Owners and Water Users, Inc., a California corporation operating as a Non-Profit Mutual Water Company (the "Company"), by which the Company shall be governed, are as follows:

ARTICLE I

PRINCIPAL OFFICE, CORPORATE PURPOSE, RECORDS AND SERVICE AREA

Section 1.1 Principal Corporate Office. The registered office and principal place of business for the Company shall be in the County of Nevada, State of California, unless changed by the Board of Directors.

Section 1.2 Corporate Purpose. In addition to the general purposes listed in Article II of the Company's Articles of Incorporation, the Company is committed to improving the Company's assets with the primary objective of providing the facilities and capacity to provide water service to all Shareholders on a year-round basis, considering present and future fiscal and engineering constraints. All decisions regarding the timing, sequence and funding of specific improvements will be made by the Board of Directors on the basis of professional studies and advice. It is the specific intent of the Company to be a mutual water company operating on a non-profit basis.

Section 1.3 Corporate Books and Records. The Company shall keep at its principal place of business the following books and records and any Shareholder of record, upon written demand stating the purpose thereof, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the same and to make extracts therefrom:

(a) Its books and records of account.

(b) Its minutes of meetings of the Board of Directors and any committees thereof.

(c) Its minutes of meetings of the Shareholders.

(d) Its record of Shareholders which shall give their names and addresses and the number of Shares held by each.

(e) Copies of its Articles of Incorporation and Bylaws as originally executed and adopted together with all subsequent amendments thereto.

Notwithstanding the foregoing, pursuant to Corporations Code Section 14307, the Company shall make available the following records for the three calendar years preceding the request made by any eligible person:

(i) Agendas and minutes of board meetings conducted on or after January 1, 2014.

(ii) A copy of the Company's annual budget.

(iii) A copy of the accounting report prepared pursuant to Corporations Code Section 14306(b).

(iv) A copy of any records reporting the results of a water quality test.

(v) A copy of an annual report that has been distributed to the Company's Shareholders.

For purposes of these Bylaws, "eligible person" means a person who is any of the following: (a) a Shareholder; (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 Company sells, distributes, supplies, or delivers drinking water; or (c) an elected official of a city or county who represents people who receive drinking water directly from the Company.

Section 1.4 Corporate Financial Statements. Upon the written request of any Shareholder of the Company, the Company shall mail to such Shareholder its most recent annual or quarterly financial statements showing in reasonable detail its assets and liabilities and the results of its operation unless the Shareholder has already received the same.

Neither the Company nor any Director, officer, employee or agent of the Company shall be liable to the Shareholder or anyone to whom the Shareholder discloses the financial statement or any information contained therein for any error or omission therein whether caused without fault, by negligence or by gross negligence, unless (1) the error or omission is material, (2) the Director, officer, employee or agent in question knew of the error or omission and intended for the Shareholder or other person to rely thereon to his or her detriment, (3) the Shareholder or other persons did reasonably rely thereon, and, in addition, (4) he or she is otherwise liable under applicable law.

Section 1.5 Corporate Seal. The Company shall adopt and use a corporate seal consisting of a circle setting forth on its circumference the name of the corporation and showing the State and date of incorporation.

Section 1.6 Company Service Area. The Company shall only serve its Shareholders who are the owners of buildable lots within the geographical area in which the Company is authorized to use its water rights. The Company's service area is defined in the State of California Permit for Diversion and Use of Water No. 16073 which is now incorporated in License No. 13781, which includes the Kingvale Subdivisions. Effective this date, and forward, the service area for all new service connections will be limited to buildable lots within the Kingvale Subdivision (recorded October 14, 1931, in Book 1 of Maps at Page 41, Nevada County Records) and Kingvale Subdivision Unit No. 2 (recorded December 8, 1937, in Book 1 of Maps at Pages 63/64, Nevada County Records) ("Service Area").

ARTICLE II

BYLAWS

Section 2.1 Amendments. These Bylaws may be altered, amended or repealed and new Bylaws adopted by the affirmative vote of a majority of the Shares entitled to vote, at any meeting of Shareholders called for such purpose or at any annual Shareholders meeting, or by a two-thirds vote of the whole number of the Board of Directors, to be approved by the first meeting of the Shareholders thereafter.

Section 2.2 Bylaw Provisions Additional and Supplemental to Provisions by Law. All restrictions, limitations, requirements and other provisions of these Bylaws shall be construed, insofar as possible, as supplemental and additional to all provisions of law applicable to the subject matter thereof and shall be fully complied with in addition to the said provisions of law unless such compliance shall be illegal.

Section 2.3 Bylaw Provisions Contrary to or Inconsistent With Provisions of Law. Any article, section, subsection, subdivision, sentence, clause or phrase of these Bylaws which, upon being construed in the manner provided in Section 2.2 hereof, shall be contrary to or inconsistent with any applicable provision of law, shall not apply so long as said provisions of law shall remain in effect, but such result shall not affect the validity or applicability of any other portions of these Bylaws, it being hereby declared that these Bylaws would have been adopted and each article, section, subsection, subdivision, sentence, clause or phrase thereof, irrespective of the fact that any one or more articles, sections, subsections, subdivisions, sentences, clauses or phrases is or are illegal.

ARTICLE III

MEETINGS OF SHAREHOLDERS

Section 3.1 Place of Meetings. All annual meetings of the Shareholders, however called, shall be held at the principal place of business of the Company or at such other location as the Board of Directors may determine. All special meetings of the Shareholders, however called, shall be held at the principal place of business of the Company unless the Board of Directors designates another place for the meetings.

Section 3.2 Annual Meeting. An annual meeting of the Shareholders shall be held at Kingvale during the first week of July, the actual date and time of the meeting to be determined by the President or as directed by the Board of Directors.

Section 3.3 Special Meetings. Special meetings of the Shareholders may be called by the Chairman of the Board, the President, the Board of Directors or the holders of not less than ten percent (10%) of all outstanding Shares entitled to vote.

Section 3.4 Notice of Shareholders' Meetings. Written or printed notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be

delivered not less than ten (10) days nor more than sixty (60) before the date of the meeting, either personally, by mail or by electronic transmission in accordance with applicable law, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting to each Shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Shareholder at his/her/their address as it appears on the books of the Company with postage thereon prepared.

Section 3.5 Waiver of Notice. Any Shareholder may waive notice of any meeting of Shareholders, (however called or noticed, whether or not called or noticed and whether before, during or after the meeting) by signing a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes thereof. Attendance at a meeting, in person or by proxy, shall constitute waiver of all defects of call or notice regardless of whether waiver, consent or approval is signed, or any objections are made. All such waivers, consents, or approvals shall be made a part of the minutes of the meeting.

Section 3.6 Fixing Record Date for Shareholders. The Board of Directors may fix a time not exceeding fifty (50) days preceding the date of any meeting of Shareholders or less than ten (10) days, as a record date for the determination of the Shareholders entitled to notice of and to vote at any such meeting. In such case only Shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting, as the case may be notwithstanding any transfer of any share on the books of the Company after any record date fixed as aforesaid. The Board of Directors may close the books of the Company against transfers of Shares during the whole or any part of such period.

Section 3.7 Shareholder Voting List. The officer or agent having charge of the Share Certificate books for Shares of the Company shall make, at least ten (10) days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of Shares held by each, which list, for a period of ten (10) days prior to the meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Shareholder during the whole time of the meeting. The original Membership Certificate transfer books shall be prima facie evidence as to who are the Shareholders entitled to examine such list or transfer books or to vote at any meeting of Shareholders. Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 3.8 Quorum of Shareholders, Vote. The Shareholders present in person or represented by proxy if they represent a majority of the outstanding Shares entitled to vote, shall constitute a quorum at any meeting of the Shareholders. The affirmative vote of a majority of the Shares entitled to vote on the subject shall be the act of the Shareholders, unless the vote of a greater number is required by the California Corporation Law, other provisions of these Bylaws or the Articles of Incorporation of the Company. The Shareholders present at a duly called or held meeting may continue to do business until adjournment notwithstanding the withdrawal of

enough other Shareholders to leave less than a quorum, if any action taken is approved by a majority of the Shareholders required to initially constitute a quorum.

Section 3.9 Voting of Shares. Each Share of stock in the Company shall have voting rights equal with each other, and each Share shall constitute one (1) vote at a meeting of Shareholders. California Corporations Code Section §702 et. seq. shall govern voting by when a Share is owned by multiple parties or entities.

Section 3.10 Proxies. A Shareholder may vote either in person or by proxy executed in writing by the Shareholder or by his or her duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy, specifically providing a longer length of time for which the proxy is to continue in force, which in no case shall exceed five (5) years from the date of execution. Any Shareholder giving a written consent, or his or her proxy, or his or her transferee or personal representative, or their respective proxies, may revoke the same prior to the time that written consents of the number of Shares required to authorize the proposed action have been filed with the Secretary of the Company, but may not do so thereafter.

Section 3.11 Elections of Directors. At each election for Directors, every Shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of Shares owned by him or her for each Director individually and for whose election he or she has a right to vote. Except as limited by the qualifications set forth in Section 4.3, the candidates receiving the highest number of votes up to the number of Directors to be elected shall be declared elected. Elections for Directors need not be by ballot. There shall be no cumulative voting.

Section 3.12 Adjournments. Any Shareholders' meeting may be adjourned from time to time by the vote of a majority of the Shareholders present at such meeting or represented by proxy thereat. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original special meeting. Save as aforesaid, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which such adjournment is taken.

ARTICLE IV

DIRECTORS

Section 4.1 Exercise of Corporate Power. All corporate powers (subject to limitations of the Articles of Incorporation and the provisions of California law requiring action to be authorized or approved by Shareholders) shall be exercised by and under authority of and the business and affairs of the Company shall be controlled by the Board of Directors.

Section 4.2 Number. The number of Directors of the Company shall be five (5), which number, unless the Articles of Incorporation forbid, may be changed by a Bylaw duly adopted by a majority of the Shareholders entitled to vote, provided that in order to reduce such number below five (5) the votes or written consents of Shareholders holding more than eighty percent (80%) of the Shareholders entitled to vote shall be necessary.

Section 4.3 Qualification. The Directors shall be Shareholders of the Company. A Director may not be a minor, otherwise the Directors need no other qualifications.

Section 4.4 Compensation. The Board of Directors shall have authority to fix the compensation of Directors. Such compensation so fixed shall be reported to the Shareholders. Any compensation so fixed shall be for services as a Director only, and a Director who serves the Company in any other capacity may receive a separate compensation therefor.

Section 4.5 Term. Commencing with the 2024 annual Shareholders' meeting, Directors shall serve terms of four (4) years, except for two directors' positions, which shall be determined by agreement or by lot to serve terms of only two (2) years and which two positions' terms shall therefore end in conjunction with the 2026 annual Shareholders' meeting. Upon completion of the 2024 annual Shareholders' meeting, the Company shall notify all Shareholders of the Directors then serving and shall identify which two (2) Directors are serving two (2) year terms and which three (3) Directors are serving four (4) year terms. After the 2024 annual Shareholders' meeting, Directors shall be elected every two (2) years in staggered terms at the applicable annual meeting of the Shareholders, such that those two Directors' positions determined at the 2024 annual Shareholders' meeting to serve two (2) year terms shall be elected at the 2026 annual Shareholders' meeting to four (4) year terms, to expire in conjunction with the 2030 annual Shareholders' meeting, and those three (3) Directors' positions determined at the 2024 annual Shareholders' meeting to serve four (4) year terms shall be elected at the 2028 annual Shareholders' meeting to serve four (4) year terms, to expire in conjunction with the 2032 annual Shareholders' meeting, and so on for future annual Shareholders' meetings. If any such annual meeting where Directors would otherwise be elected is not held or if the Directors are not elected at a particular meeting, the Directors may be elected at a special meeting of Shareholders held for that purpose. Each Director, including a Director appointed or elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4.6 Elections. At each annual meeting where the term of a Director is expiring, the Shareholders shall elect Directors, provided that if for any reason said annual meeting or an adjournment thereof is not held or the Directors are not elected thereat, then the Directors may be elected at any special meeting of the Shareholders called and held for that purpose.

Section 4.7 Vacancies. A vacancy or vacancies in the Board of Directors shall exist in case of the death, resignation or removal of any Directors, or if the authorized number of Directors is increased, or if the Shareholders fail, at any annual or special meeting at which any Director is elected, to elect the full authorized number of Directors to be voted for at that meeting. Also, the Board of Directors may declare vacant the office of a Director if he or she is found to be of unsound mind by an order of a court of competent jurisdiction or convicted of a felony or misdemeanor involving moral turpitude or if, within sixty (60) days after notice of his or her election, he or she does not accept the office either in writing or by attending a meeting of the Board of Directors. Any vacancy occurring may be filled by the affirmative vote of a majority of the remaining Directors (or a sole remaining Director) although less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in

office, or if there was no predecessor, until the date set under these Bylaws for the next annual meeting and until his or her successor is elected, subject to the constituency requirements of Section 4.3 above. Any vacancy created by reason of the removal of one (1) or more Directors by the Shareholders may be filled by election of the Shareholders at the meeting at which the Director or Directors are removed.

Section 4.8 Removal. At a meeting expressly called for that purpose one (1) or more Directors may be removed by a vote of a majority of the Shareholders entitled to vote at an election of Directors.

Section 4.9 Regular Meetings. A regular meeting of the Board of Directors shall be held at such location as the Board shall determine or virtually as allowed by California law within one month of the annual shareholders' meeting, with at least ten (10) days' written notice, provided as specified in Section 4.13, below. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings with at least four (4) days' written notice, as specified in Section 4.13, below, without other notice than such resolution.

Section 4.10 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors called by them. Notice of any special Board meeting shall be given in accordance with Section 4.13, below.

Section 4.11 Emergency Meetings. An emergency meeting of the Board may be called by the President, or by any two Directors other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required by Section 4.13, below.

Section 4.12 Open Meetings; Limitation on Board Action. All Board of Directors' meetings shall be open to attendance by eligible persons, as defined in Section 1.3, above, except for executive sessions of the Board set forth in Section 4.17, below. Any eligible person who desires to attend a Board of Directors' meeting must provide at least twenty-four (24) hours' prior written notice of his or her intent to attend that meeting. Any eligible person who attends a Board meeting must be allowed to speak at the meeting, although the Board can establish a reasonable time limit for such comments. Other than for the exceptions listed in subdivision (i) of Corporations Code Section 14305, the Board of Directors may not discuss or take action on any item at a non-emergency Board meeting that is not placed on the agenda included in the notice for that meeting. Directors are also prohibited from taking action on any items subject to a Board decision outside of a Board meeting unless the item has been delegated by the Board to a Company officer or staff member or other another person who is not a director; provided, however, that nothing in this section shall prohibit a director from performing tasks relating to the operation or administration of the Company that are not subject to Board action. Notwithstanding the foregoing provisions limiting Board actions, the Board may communicate

from time to time in any manner that does not violate the Mutual Water Company Open Meeting Act (Corporations Code Section 14305).

Section 4.13 Notice. Notice of the time and place of all Board meetings must be provided, as specified in this paragraph, to all eligible persons at least four (4) days before the meeting. Notice of the meeting must specify the time and place of the meeting and must include an agenda for the meeting, specifying the items to potentially be discussed and upon which action may be taken. Notice of the meeting shall be posted at such location as the Board of Directors may determine from time to time in order to best provide notice to eligible persons and will also be posted on the Company's website. Notice may also be provided by e-mail to any eligible person if the eligible person consents, and must be provided by mail to any eligible person who has requested mailed notice of the meetings; provided that the Company may recover from the recipient the reproduction and mailing costs for that requested notice.

Notices of meetings shall be delivered to Directors personally, by facsimile or by electronic mail to each Director or sent by first-class mail, charges prepaid, addressed to each Director at that Director's address as it is shown on the Company's records, or as may have been given to the Company by the Director for purposes of notice, or, if such address is not shown on such records or is not readily ascertainable, at the place where the meetings of the directors are regularly held. Notice shall be provided to Directors at least four (4) days before any Board of Directors' meeting.

Section 4.14 Quorum. A majority of the number of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a majority of the number of Directors is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 4.15 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4.16 Telephonic Meetings. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as notice of the teleconferenced meeting is provided (including identifying at least one physical location where eligible persons may attend) and all Directors participating in the meeting, and any eligible person attending the meeting, can hear one another. All Directors participating by teleconference shall be deemed to be present in person at the meeting. The Board may not conduct a meeting by a series of electronic transmissions, except in the event of an emergency meeting, as described in Section 4.11, above, where all Directors consent in writing to the action.

Section 4.17 Executive Session. The Board may, as specified on the agenda and notice for any meeting, adjourn a meeting and reconvene in executive session to discuss: (a) pending or potential litigation; (b) contracts to be formed with third parties; (c) Shareholder discipline; provided that the Shareholder that is the subject of any fine, penalty or other discipline has the right to attend the executive session; (d) personnel matters; or (e) a Shareholder's payment of assessments where the Shareholder requests to meet in executive session. Any matters discussed

in executive session of a Board meeting must be generally noted in the minutes of the Board meeting at which the executive session occurred.

Section 4.18 Violations of Open Meeting Provisions. If an eligible person alleges the Board has violated the open meeting requirements specified in this article, before filing a legal action regarding that alleged violation, the eligible person must make a demand on the Board to cure or correct the alleged violation. The demand must be in writing and must be submitted to the Board within ninety (90) days from the date the alleged violation occurred. The demand must state the Board action being challenged and the nature of the alleged violation. Within thirty (30) days of receipt of the demand, the Board must cure or correct the challenged action and inform the eligible person in writing of its actions to cure or correct or inform the eligible person in writing of the Board's decision not to cure or correct the challenged action.

Within fifteen (15) days of receipt of the written notice of the Board's decision to cure or correct or not to cure or correct, or within fifteen (15) days of the expiration of the 30-day period to cure or correct, whichever is earlier, the eligible person may commence legal action. If the eligible person fails to commence the action within that fifteen (15) day period, the eligible person is then barred from later commencing the action.

Section 4.19 Committees. The Board of Directors by resolution adopted by the majority of the number of Directors fixed by the Bylaws may designate a committee or committees consisting of not fewer than one (1) Director, which committee or committees, to the extent provided in such resolution, shall have and may exercise all the authority therein provided; but the designation of such committee or committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him or her by law. No committee shall have the power to adopt, amend or repeal the Bylaws or to make rules and regulations for the appointment and terms of office of the members of such committee.

Section 4.20 Performance of Duties. A Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Company and its Shareholders and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(a) One or more officers or employees of the Company whom the Director believes to be reliable and competent in the matters presented.

(b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person's professional or expert competence.

(c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit

confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

A person who performs the duties of a Director in accordance with this section shall have no liability based upon any alleged failure to discharge the person's obligations as a Director.

ARTICLE V

OFFICERS

Section 5.1 Election and Qualifications. The officers of this Company shall consist of a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors at the meeting of the Board of Directors next following the annual meeting of the Shareholders (or at any meeting if an office is vacant) and such other officers, including a Chairman of the Board of Directors, and assistant officers and agents, as the Board of Directors shall deem necessary, who shall be elected and shall hold their offices for such terms as the Board of Directors may prescribe. Any two (2) or more offices may be held by the same person except those of President and Secretary. Any Vice President, assistant Treasurer or assistant Secretary, respectively, may exercise any of the powers of the President, the Treasurer, or the Secretary, respectively, as directed by the Board of Directors and shall perform such other duties as are imposed upon him or her by the Bylaws or the Board of Directors.

Section 5.2 Term of Office and Compensation. The term of office for each of said officers shall be one (1) year or until his or her successor is elected unless he or she shall sooner resign or be removed or otherwise is disqualified to serve. The salary, if any, of each of said officers and the manner and time of the payment of such salaries shall be fixed and determined by the Board of Directors and may be altered by said Board from time to time at its pleasure.

Section 5.3 Removal and Vacancies. Any officer of the Company may be removed by the Board of Directors at any Board meeting whenever in its judgment the best interests of the Company will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. If any vacancy occurs in any office of the Company, the Board of Directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until his or her successor is duly chosen and qualified.

Section 5.4. Powers and Duties. The powers and duties of the officers of the Company are as follows:

(a) Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall have the power to preside at all meetings of the Board of Directors and shall have such other powers and shall be subject to such other duties as the Board of Directors may from time to time prescribe.

(b) President. The President of the Company shall act as the chief executive officer of the Company and, subject to the control of the Board of Directors, shall have general supervision, direction and control of the business and affairs of the Company. The President shall have the power and authority:

(i) To preside at all meetings of the Shareholders and, in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors.

(ii) To call meetings of the Shareholders and also of the Board of Directors to be held at such times and, subject to the limitations prescribed by law or by these Bylaws, at such places as he or she shall deem proper.

(iii) To affix the signature of the Company to all deeds, conveyances, mortgages, leases, obligations, bonds, certificates and other papers and instruments in writing which have been authorized by the Board of Directors or which, in the judgment of the President, should be executed on behalf of the Company and do not require such authorization and, subject to the direction of the Board of Directors, to have general charge of the property of the Company and to supervise and control all officers, agents and employees of the Company.

(c) President Pro Tem. If neither the Chairman of the Board, the President, nor the Vice President is present at any meeting of the Board of Directors, a President Pro Tem may be chosen to preside and act at such meeting. If neither the President nor the Vice President is present at any meeting of the Shareholders, a President Pro Tem may be chosen to preside at such meeting.

(d) Vice President. In case of absence, disability or death of the President, the Vice President shall exercise all his or her powers and perform all his or her duties. The vice President shall have such other powers and perform such other duties as may be granted or prescribed by the Board of Directors.

(e) Secretary. The powers and duties of the Secretary are:

(i) To keep a book of minutes at the principal place of business of the Company, or such other place as the Board of Directors may order, of all meetings of its Directors and Shareholders with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, the number of Shareholders present or represented by Shareholders' meetings and the proceedings thereof.

(ii) To keep the seal of the Company and to affix the same to all instruments which may require it.

(iii) To keep or cause to be kept at the principal place of business of the Company, or at the office of the transfer agent or agents, a Share Certificate register, or duplicate Share Certificate registers, showing the names of the Shareholders and their addresses, the number and classes of Shares, if any, held by each, the number and date of certificate issues for Share Certificates, and the number and date of cancellation of every certificate surrendered for

cancellation. Shares may be issued electronically, and the Share register may be maintained electronically.

(iv) To keep or cause to be kept at the principal place of business of the Company the books and records required by Section 1.3(a), (b), (c), (d) and (e) above.

(v) To make a proper record of the issuance of Share Certificates of the Company.

(vi) To transfer upon the Share Certificate books of the Company any and all Share Certificates of the Company.

(vii) To make service and publication of all notices that may be necessary or proper, and without command or direction from anyone. In case of the absence, disability, refusal or neglect of the Secretary to make service or publication of any notices, then such notices may be served and/or published by the President or a Vice President, or by any person thereunto authorized by either of them or by the Board of Directors or by the holders of a majority of the outstanding Shares of the Company.

(viii) To prepare the voting lists required by Section 3.7 above.

(ix) Generally to do and perform all such duties as pertain to the office of secretary and as may be required by the Board of Directors.

(f) Treasurer. The powers and duties of the Treasurer are:

(i) To supervise and control the keeping and maintaining of adequate and correct accounts of the Company's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and Share Certificates. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any Director and by any Shareholder as provided in Section 1.3 above.

(ii) To keep or cause to be kept at the registered office of the Company the books and records required by Section 1.3(a) above.

(iii) To have the custody of all funds, securities, evidences of indebtedness and other valuable documents of the Company and, at his or her discretion, to cause any or all thereof to be deposited for the account of the Company with such depository as may be designated from time to time by the Board of Directors.

(iv) To receive or cause to be received, and to give or cause to be given, receipts for moneys paid in for the account of the Company.

(v) To disburse, or cause to be disbursed, all funds of the Company as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

(vi) To render to the President and to the Board of Directors, whenever they may require, accounts of all transactions as Treasurer and of the financial condition of the Company.

(vii) Generally, to do and perform all such duties as pertain to the office of treasurer and as may be required by the Board of Directors.

ARTICLE VI

SHARE CERTIFICATES

Section 6.1 Issuance of Share Certificates. Share Certificates shall be issued in in such form as the Board of Directors shall direct. The term Shareholder, share, stock share, shareholder, stockholder and water certificate holder are interchangeable terms. Share Certificates shall be issued, either in paper form or electronically, evidencing the Shareholders' respective ownership interest in the legal rights and facilities owned by the Company and the right to use water pursuant to the water rights held in the name of the Company on behalf of its Shareholders, in conformance with the following:

(a) Share Certificates shall only be issued to the owners of buildable lots within the Company Service Area. Only one (1) Share shall be issued per buildable lot, which Share shall be appurtenant to and transferred with said lot. Shares shall only be issued for single-family residential construction and not for mobile homes, recreational vehicles, or condominium, multi-family or townhouse projects. The Directors shall be the exclusive judge of what constitutes a building lot to which a Share may be issued. The Board of Directors has determined that the issuance of a residential building permit by Nevada County meets the criteria for a buildable lot.

(b) Each Share shall entitle its holder to one (1) connection to the Company's water distribution system and the delivery of Company water subject to the provisions of the Articles of Incorporation and these Bylaws and Rules and Regulations of the Company.

(c) The Company shall not issue Shares to any person or entity, unless the Company has been advised by the Nevada County/State of California that the Company has sufficient source, storage, and distribution capacity to render service to the new property as well as forecasted services to existing Shareholders and existing contingencies.

(d) Each Share shall entitle the owner thereof of the use of a proportionate share of the water available for distribution by the Company, all according to the Articles of Incorporation, these Bylaws and such Rules and Regulations that may be adopted by the Board of Directors. The Company shall not be liable for any failure of water service, including, but not limited to, failure of the system, shortages, droughts, acts of God, accidents or other causes which result in the loss of water service. The Company does not guarantee pressures or flows.

(e) Each Share Certificate shall be signed by the President and countersigned by the Secretary, and express on its face its number, date of issuance, the number of Shares for which and the person/entity to whom it was issued, and the legal description for the appurtenant property.

Section 6.2 Appurtenancy of Shares. Shares, when issued, shall become an appurtenance to the lot upon which it is to be used.

(a) The Share Certificate record book of the Company, with respect to each Share, shall describe by lot and owner or record to which lot the Share is appurtenant.

(b) No person may own more than one (1) Share for each residence or residential lot served by the water system.

(c) Each Share shall be freely transferable with the lot to which it is appurtenant, and must be transferred with said lot; provided that no Share may be transferred when the underlying lot owes the Company any monies for past due rates, charges or assessments and any such monies must be paid in full in order for the transfer of the Share to occur. Shares shall not be separated from the lot to which the Share is appurtenant and shall not be transferable for use on any lot, other than the lot to which it is appurtenant.

Section 6.3 Lost/Destroyed Share Certificates. Where the owner of any Share claims that the certificate has been lost, destroyed or wrongfully taken, a new certificate shall be issued in place of the original certificate if the owner (a) so requests before the Company has notice that the original certificate has been acquired by a bona fide purchaser, (b) satisfies any other reasonable requirements imposed by the Company. The Board of Directors may adopt such other provisions and restrictions with reference to lost certificates, not inconsistent with applicable law, as it shall in its discretion deem appropriate.

Section 6.4 Sale of Property and Transfer of Share Certificates. Each Shareholder shall immediately report in writing to the Secretary of the Company the sale or transfer of their property. A new Share in the name of the new owner(s) shall be issued upon the old Share Certificate being surrendered, subject to the payment of monies owed to the Company as described in Section 6.2(c), above. The Board of Directors may adopt such other provisions with reference to the transfer of certificates, not inconsistent with applicable law, as it shall in its discretion deem appropriate.

ARTICLE VII

ASSESSMENTS AND CONNECTION FEES

Section 7.1 Power to Levy Assessments. Pursuant to Article XI of the Articles of Incorporation filed November 16, 1960, the Board of Directors shall have the power to levy and collect assessments upon all Shareholders. In addition, the Board of Directors shall have the power as herein provided, to shut off the water, in accordance with applicable law, to that residence or lot to which the Share is appurtenant where an assessment or any rate or charge owed to the Company remains unpaid, as herein provided, and to take all steps necessary to collect unpaid assessments, rates or charges. The Board of Directors shall have the power to levy and collect assessments upon all lot owners within the Kingvale Subdivisions, whether or not they are an owner of a Share, for the improvement, maintenance and repair costs related to the roads and bridges within the Kingvale Subdivisions.

Section 7.2 Annual Assessments. The Board of Directors, on or before the first week of July each year, and before the annual Shareholders meeting, shall determine the amount necessary to cover (i) the costs of purchasing, using, leasing or obtaining water, (ii) the costs of operating, improving, repairing and maintaining the water system, (iii) establishing and funding a reserve fund to cover major repairs, improvements and replacement of the water system, (iv) the costs of taxes and insurance on the water system and the Company, and (v) all costs necessary or desirable to enable the Company to perform or fulfill its obligations, functions and purposes under its Articles of Incorporation and Bylaws, and shall make and levy an assessment against the Company's outstanding Shares. In the event the Board of Directors does not timely levy an assessment as provided herein, the level of the prior year's assessment shall apply in the new year. The Board of Directors shall, in its sole discretion, determine how to allocate generation of the Company's revenues among assessments, rates based on volume of water used and fixed meter charges.

Section 7.3 Special Assessments. The Board of Directors may levy special assessments for the purpose of defraying, in whole or in part, (i) any Company expenses not reasonably capable of being fully paid with funds generated by regular periodic assessments, including, but not limited to code and regulation compliance and litigation, (ii) the costs of any unexpectedly required repair or replacement of any part of the water system, (iii) the construction, reconstruction, repair, or any improvement of the water system for the common benefit of all of the properties served by the water system.

Section 7.4 Levy of Assessments, Payment Dates. Assessments on Shares shall be levied by the Board of Directors at a meeting held for that purpose, with the assessments payable as billed. The Board of Directors shall have the power and authority to establish a base usage assessment payable by all Shareholders with additional charges to be assessed for usage of water in excess of the base assessment. The order levying the assessment shall specify (i) the amount, (ii) when, to whom and where payable, and (iii) the date on which an unpaid assessment shall be delinquent, which date must not be less than thirty (30) nor more than sixty (60) days from the time the assessment becomes due. The annual assessment and levy may be modified at any time by the Board of Directors at a meeting called for that purpose, where such action is reasonably necessary.

Section 7.5 Notice of Levy. Notice of orders of levy, in a form approved by the Board of Directors, shall be provided to all Shareholders by personal service, by e-mail in accordance with applicable law or by mailing in the regular U.S. Mail a copy of the notice to the Shareholder's residence, or the most recent address provided by Shareholder and recorded on the records of the Company.

Section 7.6 Form of Notice, Interest. The notice referred to in Section 7.5 above shall contain the following information:

(a) The name of the Company.

(b) The amount of the assessment(s).

(c) The date of the assessment(s).

(d) When, to whom and where payable.

(e) The date an unpaid assessment becomes delinquent.

(f) That delinquent assessments will bear interest at the rate shown on the current fee schedule and the Shareholder shall be responsible for all collection costs and expenses including court costs and reasonable attorneys' fees.

Section 7.7 Rates and Charges. In addition to assessments levied pursuant to this article, the Board of Directors may determine usage-based rates and fixed meter charges, as well as other fees, related to the Company's provision of water service to the Shareholders. Such rates and charges and other fees shall cover the costs of the operation, maintenance and repair of the Company's water supply and water distribution system, including administrative costs.

Section 7.8 Delinquent Assessments, Rates and Charges. If any portion of an assessment mentioned in the notice remains unpaid on the day specified therein when the assessment becomes delinquent, or when any rate or charge or other fee is delinquent pursuant to Rules and Regulations adopted by the Board of Directors, the Secretary shall mail a notice of delinquency to each of the Shareholders identified in the notice of delinquency. The notice of delinquency shall be in a form approved by the Board of Directors. The notice of delinquency may also state that if the assessment, rate or charge (or other fee) is not fully paid by the date specified in the notice, then the Company shall have the right to immediately shut off the water to that residence, lot, unit or property, to which the Share is appurtenant and on which the assessment, rate, charge or fee has not been paid and the delinquent amount will bear interest at the rate shown on the current fee schedule and the Shareholder shall be responsible for all collection costs and expenses including court costs and reasonable attorneys' fees. The procedure for shutting off water will be in accordance with a policy adopted by the Board of Directors.

Section 7.9 Landlord or Lessor Shall Be Primarily Liable for All Assessments. The legal owner of any rented property being served by the Company shall appear as the record owner of the Share and shall be held primarily responsible to the Company for payment of all assessment, rates, charges and fees attributable to that property.

Section 7.10 Water Connection Fee. The Board shall have authority to levy and collect a water connection fee for new water connections to the Company system.

(a) No Shareholder shall be allowed to connect onto the Company system, nor take water therefrom, until he/she/they has/have paid the required water connection fee. The amount of the water connection fee shall be determined by the Board of Directors from time to time by separate resolution of the Board of Directors.

(b) The Company may allocate out of each water connection fee received a reasonable amount and deposit that amount into a separate fund for the construction of improvements to the Company's water distribution system and facilities as may be required by the Company and/or the County of Nevada/State of California to serve the Shareholders.

Section 7.11 Recordation and Enforcement of Notice of Lien. In addition to the other assessment collection remedies set forth elsewhere in these Bylaws and notwithstanding any other provision of these Bylaws, the Board of Directors shall also have the authority and power to record a notice of lien against the real property of any Shareholder who is delinquent in the payment of any rates, charges and/or assessments imposed by the Board of Directors arising from, or related to, water service provided by the Company to the real property of the Shareholder. (See Corporations Code§ 14304.) The notice of lien shall be recorded against the real property to which the Share is appurtenant that has incurred the delinquency, and shall include all amounts owed to the Company as authorized by the Bylaws and/or the Rules and Regulations of the Company, including, without limitation, the principal amount of the rates/charges/assessments, interest, late fees, collection costs, and reasonable attorneys' fees. By accepting and/or holding a Share, each Shareholder consents to the recording of a notice of lien against the real property to which the Share is appurtenant in order to secure the payment of all rates, charges, assessments, and/or other amounts authorized by the Bylaws and Rules and Regulations of the Company. Prior to recording a notice of lien, the Board of Directors shall provide at least twenty (20) days' written notice to the Shareholder of the delinquency and the Board of Directors' intent to record a notice of lien against the Shareholder's real property unless the delinquency is paid in full. After the twenty (20) day notice period has expired, the Board of Directors may record the notice of lien against the Shareholder's real property. Thereafter, the Board of Directors may, in its discretion, foreclose the notice of lien or take any other action authorized by these Bylaws, Rules and Regulations or applicable law to collect the delinquency. The Board of Directors shall be empowered to adopt further rules and regulations concerning the recordation and/or enforcement of a notice of lien hereunder.

ARTICLE VIII

DIRECTORS' CONDUCT

Section 8.1 Interested Parties. No contracts or other transactions between the Company and any other trust, organization or corporation shall in any way be affected or invalidated by the fact that any of the Directors of the Company are pecuniarily or otherwise interested in, or are directors or officers of, such other trust organization or corporation.

Section 8.2 Notice of Interest. Any Director individually, or any trust, organization or corporation with which any Director may be associated, may be a party to or may be pecuniarily or otherwise interested in any contracts or transactions of the Company, provided that the fact that he or she or such trust, organization or corporation is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof.

Section 8.3 Quorum. Any Director of the Company who is also a Director, director or officer of such other trust, organization or corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the Company which shall authorize any such contracts or transactions with like force and effect as if he or she were not such Director, director or officer of such other trust, organization or corporation, or not so interested.

Section 8.4 Board Member Training. Within six months of taking office, each Director must complete the two-hour training required under subdivision (a) of Health and Safety Code Section 116755, which must be repeated every six years.

ARTICLE IX

INDEMNIFICATION

Section 9.1 Indemnification.

(a) The Company will not be responsible for any loss or damage caused by any negligence or unlawful act by any Shareholder or any other person in installing, maintaining, supplying or using any appliance, facility or equipment for which water or water service is furnished by the Company.

(b) Each Shareholder shall be responsible for damage to the Company's water mains or other property comprising any of the Company's water system resulting from the Shareholder's use or misuse.

(c) The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 9.2 Defense Costs; Application to Court. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was a Director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be

made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of a duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 9.3 Defense Costs; Successful Defense. To the extent that a Director, officer, employee or agent of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.1 of this Article, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 9.4 Authorization. Any indemnification under Section 9.1 of this Article (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 9.1. Such determination shall be made by the Board of Directors by a majority vote of a quorum of the Directors, or by the Shareholders.

Section 9.5 Advancement of Costs. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in this Article upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Company as authorized herein.

Section 9.6 Survival of Rights. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of Shareholders or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 9.7 Errors and Omissions Insurance. The Company may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Company would have the power to indemnify him or her against such liability under the provisions of this Article.

ARTICLE X

WATER SERVICE TO LOTS

Section 10.1 Water Service Requests.

(a) Existing Shareholder. Existing Shareholders that own a Share for a Lot that is unimproved and now desire to build a single-family residential structure are subject to the procedures and fee schedule established by the Board of Directors in the Rules and Regulations, as amended from time to time.

(b) New Water Service Connection Requests. The procedures and fee schedule for a new water service connection are established by the Board of Directors in the Rules and Regulations and are subject to change from time to time.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.1 Instruments in Writing. All checks, drafts, demands for money and notes of the Company, and all written contracts of the Company, shall be signed by such officer or officers, agent or agents, as the Board of Directors may from time to time by resolution designate. No officer, agent, or employee of the Company shall have power to bind the Company by contract or otherwise unless authorized to do so by these Bylaws or by the Board of Directors.

Section 11.2 Fiscal Year. The fiscal year of this Company shall be from July 1st to June 30th unless otherwise provided for by resolution of the Board of Directors.

Section 11.3 Water Shortage Response. The Company shall have the authority to address water shortages as determined by the Board of Directors and/or the President as hereinafter provided.

(a) Emergency Response. The President of the Company or their designee shall have the authority to issue an order prohibiting or limiting the use of water for outside uses and nonessential inside uses in the event of an emergency water shortage resulting from damage to the water system or water system failures. The President shall cause notice of such order to be given to all Shareholders who have connections to the water system and such orders shall be effective upon such notice.

(b) Drought Response. The Board of Directors may address shortages in water supply, including shortages resulting from drought conditions and/or other long-term causes, by imposing water conservation requirements for Shareholders connected to the water system. Such conservation requirements may include, by way of example but not by way of limitation: (i) limiting outside watering to certain days of the week and/or certain hours of the day; and/or (ii) prohibiting certain uses. The Board of Directors shall cause notice of such conservation requirements to be given to all Shareholders.

(c) Enforcement. The Board of Directors may adopt rules for enforcing violations of water shortage response orders or conservation requirements. Such rules may provide for monetary penalties for violations and for discontinuance of water service for serious repeated or continuing violations. No penalties shall be imposed for violations by Shareholders who have not been given notice of the water shortage response orders or requirements.

Section 11.4 Meters. All uses of water from the Company's system may be metered, as determined by the Board of Directors, except for fire protection water, which will not be metered.

Section 11.5 One Dwelling Unit Per Service Connection. Not more than one (1) single family structure (includes garage) shall be connected to any one (1) service connection.

Section 11.6 Additions or Improvements to System. Any additions or improvements to the water system shall only be made or accepted by the Company upon approval of the Board of Directors. The Board of Directors shall have the right to establish such standards and requirements for additions to the water system as they may deem reasonable and necessary to maintain the engineering integrity and usability of the system.

Section 11.7 Insurance. In addition to the errors and omissions insurance stated under Section 9.7, above, the Company may purchase and maintain such insurance in amounts determined appropriate by the Board of Directors for the following: (i) worker's compensation insurance and commercial general liability and property damage insurance in respect of all activities in which Company might incur personal liability for the death or injury to an employee or third person, or damage to or destruction of another's property; and (ii) casualty insurance for the replacement value or costs of the water system against loss or damage by risks customarily covered with respect to such water systems.

Section 11.8 Dissolution. In the event of dissolution, after payment of debts and liabilities of the Company, each Shareholder of the Company shall receive a pro-rata share of the Company's property and assets, including gains from the sale of appreciated assets, insofar as is practicable.

Section 11.9 Maintenance and Service Contracts. The Board of Directors shall have authority to enter into written contracts for operation and maintenance of the Company’s water distribution system with such individuals, companies or contractors as the Board of Directors may, in its discretion, deem suitable.

(a) The services to be provided under such contracts may include, but need not be limited to, the following:

(i) Monitor and maintain, on a regular basis, the following facilities and equipment of the Company, and recommend repairs and improvements to the same, as necessary, to the Board of Directors:

(1) all springs, wells and pumps (including, water depth and flow);

(2) all water storage reservoirs;

(3) all fire hydrants (including flushing the same); and

(4) all pipelines, valves, water meters and related equipment.

(ii) Read all water meters send all meter readings and calculations to the individual or entity designated by the Company to perform accounting services;

(iii) Monitor water demand for new home construction sites, and purchase and install water meters for each new lot to be served;

(iv) Monitor and report excess water usage on new home construction sites during the construction period;

(v) Take water samples, submit the samples to the appropriate laboratory for analysis in conformance with all applicable State and local law, and give a monthly report of the results of the analysis to the Board of Directors;

(vi) Meet and cooperate with State and local water officials, submit appropriate reports as required, and immediately report any deficiencies and other notable matters pertaining to the Company's water system and water quality; and

(vii) Perform all other activities and functions as may be required, by the Board of Directors and otherwise, to effectively and efficiently operate and manage the water system of the Company.

(b) Remuneration and other terms and conditions pertaining to such contracts shall be determined by the Board of Directors in its sole discretion.

Section 11.10 Water Rules and Regulations. The public health and safety require and the Board of Directors shall have authority to adopt reasonable rules and regulations governing the supply and distribution of water to Shareholders by the Company; such rules are necessary for the protection of life and property and for the common benefit of all Shareholders served by the Company.

Section 11.11 Rules and Regulations – Roads Within Kingvale Subdivisions. In order for the Company to carry out its responsibilities under Article II(f) of the Articles of Incorporation filed November 16, 1960, the Board of Directors shall have authority to adopt reasonable rules and regulations governing the roads within the Kingvale Subdivision (recorded October 14, 1931, in Book 1 of Maps at Page 41, Nevada County Records) and Kingvale Subdivision Unit No. 2 (recorded December 8, 1937, in Book 1 of Maps at Pages 63/64, Nevada County Records). Such rules are necessary for the protection of life and property and for the common benefit of all Shareholders and property owners without Shares in the Kingvale Subdivisions.

Section 11.12 Inspection of Water System/Entry.

(a) The Company, the Board of Directors, or its authorized representatives shall have the right to inspect service connections, taps, faucets, outlets, values and other appurtenances on Shareholder property at any reasonable time for the purpose of insuring the proper and adequate operation thereof.

(b) The Company, the Board of Directors, or its authorized representative shall have access to any unoccupied dwelling/structure connected to the water system where there are reasonable grounds to believe that a valve, appliance, waterline or outlet located on the property has been left open or is leaking or is otherwise not performing the use for which it was intended. In the event it becomes necessary to gain access to any unoccupied dwelling or structure, two (2)

authorized adult persons may enter such dwelling/structure for the sole purpose of closing values or doing any act necessary to prevent wastage of water. In the event it becomes necessary to damage or break a padlock or other lock, the Company will immediately replace the lock, notify the Shareholder and forward to him/her/them the set of keys or combination of such lock. The Shareholder shall reimburse the Company for the cost of the lock together with the reasonable cost of any labor expended in preventing water wastage.

Section 11.13 Annual Review; Budget. The Company shall engage a certified public accountant or public accountant to conduct an annual review in accordance with generally accepted accounting principles of the corporation's financial statements and financial reports. The Board of Directors shall prepare and adopt a budget prior to the commencement of the Company's fiscal year.

ARTICLE XII

SAVINGS CLAUSE

If any section, subsection, sentence, clause or phrase these rules and regulations is for any reason held to be invalid by a court of law, such determination shall not affect the validity of the remaining portions of these Bylaws, which shall remain binding and enforceable against the Shareholders of the Company.

ARTICLE XIII

EFFECTIVE DATE

These Amended and Restated Bylaws replace and supersede the Amended and Restated Bylaws adopted on July 6, 2024 and the Revised Bylaws adopted July 5, 2014, which were originally adopted on July 2, 1961, and amended on July 2, 1977.

These Bylaws shall be in full force and effect from and after the date of adoption by the Shareholders of the Kingvale Property Owners and Water Users, Inc. at their meeting on July 5, 2025.

Certification of Adoption

These Amended and Restated Bylaws were adopted by the Shareholders at the annual meeting of Shareholders on July 5, 2025. Shareholders were represented at the meeting by attendance and by proxy. **68** Shareholders were represented, **68** Shareholders voted in favor of the Bylaws and **0** Shareholders voted against the Bylaws.

Dated July 5 2025

President B Cuming

Secretary Carol Cumming