405338

ARTICLES OF INCORPORATION

of

KINGVALE PROPERTY OWNERS AND WATER USERS, INC.

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ENDORSED, FILED
In the office of the Secretary of State of the State of California
Nov 16 1960
FRANK M. JORDAN, Secretary of State by Stacy H. Aspey
Deputy

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, citizens and residents of the State of California, have this day associated ourselves together for the purpose of forming a corporation under the laws of said State.

A N D W E H E R E B Y C E R T I F Y:

ARTICLE I.

That the name of said corporation is:

KINGVALE PROPERTY OWNERS AND WATER USERS, INC.

ARTICLE II.

That the purposes for which it is formed are:

(a) The specific business in which the corporation is primarily to engage is, to furnish, supply and distribute water at cost for yard irrigation purposes and for domestic use to its stockholders only.

(b) To buy or otherwise acquire, own, operate, improve, develop, mortgage, pledge, lease or otherwise dispose of all kinds of property, real, personal or mixed, and any interest therein or easement thereover, including more particularly water, water rights, pumping plants, reservoirs, pipe lines, lands, rights and privileges, easements and rights-of-way for pumping plants, reservoirs, water wells, canals and distribution structures and to construct, maintain and operate pumping plants, water wells, machinery, canals, pipe lines and all other useful property necessary to develop, store, convey, supply or otherwise make use of water and distribution systems for the benefit of its stockholders only.

(c) To acquire, hold, pledge or otherwise contract with reference to and to sell or otherwise dispose of shares, bonds, obligations or other securities of this or any other corporation.

(d) To borrow money, issue bonds or notes and secure the payment of same by mortgage, pledge, or deed of trust of or upon all or any of its properties.

(e) To do every act and thing which may be necessary or convenient to carry out any or all of the purposes of the corporation.

(f) To build, construct and maintain roads and streets in and around the Kingvale subdivision in the County of Nevada, State of California.

Nothing herein contained shall authorize or be construed to permit this corporation to carry on the business of a public utility, nor to permit the accumulation of funds for profit, it being the intent and purpose of this corporation to be mutual and without profit to its stockholders.

ARTICLE III.

The foregoing statements of purpose contained in ARTICLE II shall not be limited by reference to or inference from one another, but each such purpose clause shall be construed as a separate statement conferring independent purposes and powers upon the corporation.

ARTICLE IV.

This corporation does not contemplate the distribution of gains, profits, or dividends to the stockholders thereof.

ARTICLE V.

The County in this State where the principal office for the transaction of business of the corporation is the County of Nevada; provided, however, that the corporation may maintain an office at such places within the State of California as the Board of Directors may from time to time determine or as may be designated in the By-Laws of the corporation.

ARTICLE VI.

The period of existence of this corporation shall be perpetual.

ARTICLE VII.

The number of directors of the corporation shall be five.

ARTICLE VIII.

The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are as follows:

| Name | Address |
|---|---|
| George R. Locklin | P. O. Box 43, Penryn, California |
| Dave L. Hofer | 8535 Betty Lane, El Cerrito, Calif. |
| Quirio Pochetti | 576 Robertson Way, Sacramento, Calif. |
| Fred Fillmore | 624 King Avenue, Yuba City, California |
| Homer R. Bales | P. O. Box 115, Bowman, California |

ARTICLE IX.

Each share of stock issued by the corporation shall be appurtenant to certain lands which shall be described in the certificate issued therefor and shall not be transferred except therewith.

ARTICLE X.

The total number of shares of stock which the corporation shall have authority to issue is five hundred shares, all of which are to be without par value.

ARTICLE XI.

The Board of Directors may, from time to time, in its discretion, levy and collect assessments upon all shares of stock of this corporation.

IN WITNESS WHEREOF, we have hereunto set our hands this 10 day of October, 1960.

George R. Locklin

STATE OF CALIFORNIA )
) ss.
County of Placer )

On this 10th day of October, in the year one thousand nine hundred and sixty, before me, MILDRED B. WARFORD, a Notary Public in and for the County of Placer, State of California, residing therein, duly commissioned and sworn, personally appeared GEORGE R. LOCKLIN, DAVE L. HOFER, QUIRIC FOCHETTI and FRED FILLMORE known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Placer the day and year in this certificate first above written.

Mildred B. Warford
Notary Public in and for the County of Placer, State of California.
My Commission Expires April 6, 1962

STATE OF CALIFORNIA )
) ss
COUNTY OF Marin )

On this 11 day of October, 1960, before me, a Notary Public in and for said county and state, personally appeared HOMER R. BALES, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

M. S. Kempton
Notary Public

My Commission Expires : January 23, 1964

BY - LAWS

of the

KINGVALE PROPERTY OWNERS
AND WATER USERS, INC.

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ARTICLE I

Place of Business

The principal office for the transaction of the business of the corporation shall be located in the County of Nevada, State of California.

ARTICLE II

Directors

Section 1. Number. The authorized number of directors of this corporation shall be five, which number, unless the articles of incorporation forbid, may be changed by a by-law duly adopted by the shareholders, provided that in order to reduce such number below five the votes or written consents of shareholders holding more than eighty per cent of the voting power shall be necessary.

Section 2. Qualifications. The directors shall be shareholders.

Section 3. Powers. All corporate powers (subject to limitations of the articles and to the provisions of law requiring action to be authorized or approved by the shareholders) shall be exercised by or under authority of and the business and affairs of this corporation shall be controlled by its board of directors, and, subject to the same limitations, the board shall also have power:

(1) To appoint and remove all officers (other than directors), prescribe their duties, fix their compensation, and require from them security for faithful performance of service if deemed necessary;

(2) To make rules and regulations not inconsistent with law or the articles of incorporation for the guidance of the officers and management of the affairs of the corporation;

(3) To appoint an executive committee, composed of two or more directors, and other committees; to delegate to such executive committee any of the powers and authority of the board in the management of the business and affairs of the corporation except the power to adopt, amend, or repeal by-laws; to make rules and regulations for the appointment and terms of office of the members of such executive committee;

(4) To change the location of the principal office for the transaction of the business of the corporation; to designate any place, within or without the State of California, for the holding of any shareholders' meeting except the annual meeting.

~~Section 4. Duties. The board of directors shall:~~

(1) Cause to be kept open to the inspection of any person entitled thereto and making proper demand therefor, a book of minutes of all meetings of the directors and shareholders of the corporation, adequate and correct books of account of the properties and business transactions of the corporation, and a share register, all in the form prescribed by law and showing the details required by law;

(2) 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;

(3) Authorize the issue of certificates for shares upon such terms as may be lawful and in such form as it shall prescribe and as hereinafter set forth, but which shall state all matters required by law and which shall be signed or authenticated as required by law;

(4) Before the annual meeting of each year, fix the charge, toll or assessment to be levied against or upon each share of stock to defray all costs and expenses incurred or to be incurred by the corporation, including but not limited to, administrative, operational, construction, power and maintenance costs;

(5) Bill each stockholder for the said assessment designating thereon the date upon which it shall be paid. The board may enforce the payment thereof in any lawful manner including discontinuance of water service;

(6) From time to time establish rules and regulations for the use and proration of the water available for distribution to the shareholders.

Section 5. Election. The directors of the corporation shall be elected at the annual meeting of shareholders by a majority of the shares entitled to vote thereat and voting either in person or by proxy. Except as provided by statute for the filling of vacancies which may occur during the year, the directors shall hold office until the next annual meeting of shareholders and until their successors are elected.

Section 6. Meetings. (Regular) Regular meetings of the board of directors shall be held at Kingvale during the first week in July of each year upon ten days notice. Other regular meetings may be held at the principal office of the corporation, or at any place which shall be designated from time to time by resolution of the board or by written consent of all members of the board and notice of such meetings is hereby dispensed with.

(Special). Special meetings of the board for any purpose or purposes whatever shall be called at any time by the president, or if he be absent or be unable or refuse to act, by any vice-president or by any two directors, upon due notice in writing given to each director in the manner prescribed by statute. Such meeting may be held at the principal office of the corporation or at any place which shall be designated from time to time by resolution of the board or by written consent of all members of the board.

Section 7. Quorum. A majority of the authorized number of directors shall be necessary to constitute a quorum of the board for the transaction of business.

## ARTICLE III

## Officers

Section 1. Election. The officers of this corporation shall be a president, vice-president, a secretary, and a treasurer who shall be chosen by the board of directors. Each of said officers shall serve until he shall resign, or be removed or become disqualified, or until his successor shall be elected.

Section 2. President. Subject to such powers, if any, as may be delegated by the board of directors to the executive committee, the president shall be chief executive officer, and, subject to the control of the board of directors, shall have general supervision and direction of the business and affairs of the corporation. He shall:

(1) Preside at all meetings of the board of directors and at all meetings of the shareholders;

(2) Call all meetings of the board of directors;

(3) Employ and discharge, subject to the approval of the board, such agents and employees as the business of the corporation shall from time to time require, and prescribe their duties, terms of employment, and compensation;

(4) Exercise such other powers and perform such other duties as may be prescribed by the board of directors or these by-laws.

Section 3. Vice President. In the absence or incapacity of the president, the vice-president, or if there be more than one, the vice-president designated by the board of directors, shall perform the duties of the president, and shall also perform such other duties as may be prescribed for him by the board of directors.

Section 4. Secretary. The secretary shall:

(1) Keep a book of minutes at the principal office of the corporation or such other place as the board of directors shall order, of all meetings of the directors and shareholders in the form and manner required by law:

(2) Keep at the principal office or at the office of the corporation's transfer agent, a share register or a duplicate share register, showing the details required by law, and also all other books of the corporation excepting books of account;

(3) Keep at the principal office open to inspection by shareholders at all reasonable times, the original or a certified copy of the by-laws of the corporation as amended or otherwise altered to date;

(4) Keep the corporate seal and affix it to all papers and documents requiring a seal;

(5) Attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;

(6) Attend to such correspondence as may be assigned to him and perform all other duties incidental to his office or prescribed by the board of directors or by law.

Section 5. Treasurer. The treasurer shall:

(1) Keep and maintain open to inspection by any director at all reasonable times, adequate and correct accounts of the properties and business transactions of the corporation, which shall include all matters required by law and be in form as required by law;

(2) Have the care and custody of the funds and valuables of the corporation and deposit same in the name of and to the credit of the corporation with such depositaries as the board of directors may designate;

(3) Disburse the funds of the corporation as he may be ordered by the board, taking proper vouchers for such disbursements;

(4) Render to the president and secretary or to the board of directors, whenever they may require it, an account of all his transactions as treasurer, and a financial statement in form satisfactory to them, showing the condition of the corporation;

(5) Have such other powers and perform such other duties as may be prescribed by the board of directors.

ARTICLE IV

MEETINGS OF SHAREHOLDERS

Section 1. Annual. The annual meetings of the shareholders shall be held in the first week of July of each year at Kingvale, and not less than ten days notice thereof shall be given by the Secretary to all shareholders.

Section 2. Special. Special meetings of shareholders for any purpose or purposes whatsoever may be called at any time by the president, or by the board of directors, or by one or more shareholders holding not less than one-fifth of the voting power of the corporation. Such meetings may be held at the principal office of the corporation or at any place within or without the State designated by written consent of the shareholders entitled to vote thereat, or by the board of directors pursuant to authority granted the board in and by these by-laws.

Section 3. Notice. Written notice of any special meeting of shareholders shall be given to each shareholder entitled thereto not less than ten days before such meeting in the manner prescribed by statute, and shall specify the day and hour and place of meeting, provided that notice of special meetings shall specify also the general nature of the business to be transacted, and provided further, that before action can be taken at any annual meeting on either of the proposals mentioned in Section 2201 of the Corporations Code of California, written notice of the general nature of the business or proposal must be given as in case of a special meeting.

Section 4. Quorum. No meeting of shareholders shall transact business unless a majority of the shares entitled to vote thereat is represented, except to adjourn from day to day, or until such time as may be deemed proper.

ARTICLE V

Certificate of Stock

Certificate of stock shall be of such form and device as the Board of Directors may direct. This corporation is organized for and will engage in the business of selling, distributing, supplying and delivering water for yard irrigation purposes and for domestic use. Water shall only be sold, distributed, supplied and delivered to owners of the capital stock of this corporation, and such stock shall be appurtenant to certain lands when the same are described in the certificate issued therefor, and when so described the certificate shall show that each share thereby represented shall be attached and appurtenant to one building lot. The board of directors shall be the exclusive judge of what constitutes a building lot to which a share of stock may be issued.

Each share of stock shall entitle the owner thereof to the use of a proportionate share of the water available for distribution by the corporation, all according to the Articles of Incorporation, these By-Laws and such rules and regulations as shall be adopted by the board of directors. The use of such water by stockholders holding stock appurtenant to certain lands shall be restricted to such lands. Each 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 to whom it is issued.

The certificate book shall contain a margin on which shall be centered the number, date, number of shares and name of the person expressed in the corresponding certificate, and the said description of the land to which the stock may have been attached and made appurtenant.

ARTICLE VI

Transfer of Stock

Subject to the provisions of law, the Articles of Incorporation and these By-Laws, shares of the corporation shall be transferred by the holders thereof when such holders transfer the land to which such share or shares are appurtenant, by attorney legally constituted, by their legal representatives. The certificate of stock shall be endorsed by such holder or his duly authorized agent. But no transfer shall be valid until the surrender of the certificate and the acknowledgement of such transfer on the books of the company.

No surrendered certificate shall be canceled by the secretary before a new one is issued in lieu thereof, and the secretary shall preserve the certificate so canceled as a voucher. If, however, a certificate shall be lost or destroyed, the board of directors may order a new certificate issued upon such guarantees being first given by the parties claiming the same as the board of directors shall deem satisfactory. If the land to which certain shares are appurtenant shall have been transferred without surrendering the certificate, then the board of directors may order new certificates issued for said land or property upon such guarantees from the parties claiming the same, as the board of directors shall deem necessary.

ARTICLE VII

Voting

At all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock. Such proxy shall be in writing and filed with the secretary before or at the meeting.

ARTICLE VIII

Amendments

These by-laws may be altered or amended at any meeting of the stockholders by a majority of the stock represented at such meeting, or by a two-thirds vote of the whole number of the board of directors, to be ratified by the first meeting of the stockholders thereafter.

ARTICLE IX

Waivers, Consents, Approvals

Absentees from any meeting of directors or shareholders at which a quorum is present (except an annual meeting of shareholders at which action is taken on either or the proposals mentioned in section 2201 of the Corporations Code) may sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof, and validate all transactions had or taken thereat.

ARTICLE X

Non-Profit

The corporation does not contemplate the earning of any profits nor the distribution of gains, profits or dividends to the stockholders; assessments and charges against the capital stock shall be made only to the extent necessary to defray the costs and obligations incurred by the corporation.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, Directors and Secretary of the corporation known as and called KINGVALE PROPERTY OWNERS AND WATER USERS, INC., do hereby certify that the above and foregoing By-Laws were duly adopted as the By-Laws of said corporation, on the 2nd day of July, 1961; and that the same do now constitute the By-Laws of said corporation.

GEORGE R. LOCKLIN
Director

QUIRIC FOCHETTI
Director

FRED L. FILLMORE
Director

D. L. HOPER
Director

BRUCE B. BALES
Director

R. L. DUNSHEE
Secretary

REVISED COPY
1977

# BY - LAWS
of the

# KINGVALE PROPERTY OWNERS AND WATER USERS, INC.

## ARTICLE I

### Place of Business

The principal office for the transaction of the business of the corporation shall be located in the County of Nevada, State of California.

## ARTICLE II

### Directors

Section 1. Number. The authorized number of directors of this corporation shall be five, which number, unless the articles of incorporation forbid, may be changed by a by-law duly adopted by the shareholders, provided that in order to reduce such number below five the votes or written consents of shareholders holding more than eighty per cent of the voting power shall be necessary.

Section 2. Qualifications. The directors shall be shareholders.

Section 3. Powers. All corporate powers (subject to limitations of the articles and to the provisions of law requiring action to be authorized or approved by the shareholders) shall be exercised by or under authority of and the business and affairs of this corporation shall be controlled by its board of directors, and, subject to the same limitations, the board shall also have power:

(1) To appoint and remove all officers (other than directors), prescribe their duties, fix their compensation, and require from them security for faithful performance of service if deemed necessary;

(2) To make rules and regulations not inconsistent with law or the articles of incorporation for the guidance of the officers and management of the affairs of the corporation;

(3) To appoint an executive committee, composed of two or more directors, and other committees; to

delegate to such executive committee any of the powers and authority of the board in the management of the business and affairs of the corporation except the power to adopt, amend, or repeal by-laws; to make rules and regulations for the appointment and terms of office of the members of such executive committee;

(4) To change the location of the principal office for the trandaction of the business of the corporation; to designate any place, within or without the State of California, for the holding of any shareholders' meeting except the annual meeting.

Section 4. Duties. The board of directors shall:

(1) Cause to be kept open to the inspection of any person entitled thereto and making proper demand therefor, a book of minutes of all meetings of the directors and shareholders of the corporation, adequate and correct books of account of the properties and business transactions of the corporation, and a share register, all in the form prescribed by law and showing the details required by law;

(2) 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;

(3) Authorize the issue of certificates for shares upon such terms as may be lawful and in such form as it shall prescribe and as hereinafter set forth, but which shall state all matters required by law and which shall be signed or authenticated as required by law. At the discretion of the board, to confer honorary membership in the corporation, which membership shall be exempt from all charges, tolls, or assessments.

(4) Before the annual meeting of each year, fix the charge, toll or assessment to be levied against or upon each share of stock to defray all costs and expenses incurred or to be incurred by the corporation, including but not limited to, administrative, operational, construction, power and maintenance costs;

(5) Bill each stockholder for the said assessment designation theron the date upon which it shall be paid. The board may enforce the payment thereof in any lawful manner including discontinuance of water service. All land owners, stockholders and all certificate holders are liable for the charges, tolls or assessments levied by the board whether or not their lands are actually served by water by the corporation.

(6) From time to time establish rules and regulations for the use and proration of the water available for distribution to the shareholders.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF KINGVALE PROPERTY OWNERS AND WATER USERS, INC. AS FOLLOWS:

Section 1: The public health and safety require the adoption of reasonable rules and regulations governing the supply and distribution of water to water users by the corporation; such rules are necessary for the protection of life and property and for the common benefit of all water users served by Kingvale Property Owners and Water Users, Inc.

Section 2: The corporation will serve water at cost to users' service connections at such pressures and in such amounts as may be available from time to time in the normal and reasonable operation of the water system.

Section 3: The corporation shall have to power to restrict the use of water during any emergency caused by drought, or other threatened or existing water shortage and to prohibit the wastage of water of the use of water during such periods for any prupose other than household uses or other restricted uses as may be determined to be necessary by the Board of Directors and may prohibit use of such water during such periods for specific uses which the Board may from time to time find to be non-essential.

Section 4: The corporation may refuse to furnish water and may discontinue service to any premises where apparatus, appliances or equipment using water is found to be dangerous or unsafe or where the use of water on such premise is found to be detrimental or injurious to the water service furnished to other users, or where it is found that negligent or wasteful use of water exists on any premise which affects the corporation's water service. In the event it becomes necessary to shut off or disconnect a premise from the water system for any of the foregoing reasons, water shall be reinstated upon the owner's payment to the corporation of the sum of $150.00 plus the cost of labor in disconnecting and reconnecting such premise to the water system.

Section 5: No person shall tamper with, or connect a premise to the corporation's water mains except under the supervision of a director or other authorized representative of the corporation.

Section 6: The corporation shall have no responsibility for the maintenance or repair of any service connection from the corporation's main to the users dwelling and the maintenance and repair of such service connection shall be the sole responsibility of the user. The corporation, its directors and authorized representative, shall at all times have the right to inspect service connections, taps, fauctes, outlets, valves and other appurtenances on the user's premises at any or all reasonable times for the purpose of insuring the proper and adequate operation thereof.

Section 7: The corporation will not be responsible for any loss or damage caused by any negligence or unlawful act by any user or any other person in installing, maintaining, supplying or using any appliances, facilities or equipment for which water or water service is furnished by the corporation. Each user shall be responsible for damage to the District's mains or other property comprising any part of the corporations' water system resulting from use or operation of any appliances or facilities on such user's premises, including but not limited to, damage caused by steam, hot water or chemicals.

Section 8: Any member of the board, or its authorized representative shall have access to any unoccupied dwelling connected to the water system where there are reasonable grounds to believe that a valve, appliances or outlet located on such premises 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 acciss to any unoccupied dwelling or structure, two authorized adult persons may enter such dwelling for the sole purpose of closing valves 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 corporation will immediately replace the lock, notify the owner of such unoccupied dwelling or structure, and forward to him the set of keys or combination of such lock. The owner of such premises shall reimburse the corporation for the cost of such lock together with the reasonable cost of any labor expended in preventing water wastage.

PASSED AND ADOPTED this third day of July 1971 by the following vote:

Ayes: Directors 5 Members 27
Noes: Directors Members 5
Absent: Directors 0

Reapproved July 2, 1977. Incorporated into by-laws, 1977.

ARTICLE II
cont'd

Section 5: Election. The directors of the corporation shall be elected at the annual meeting of shareholders by a majority of the shares entitled to vote thereat and voting either in person or by proxy. Except as provided by statute for the filling of vacancies which may occur during the year, the directors shall hold office until the next annual meeting of shareholders and until their successors are elected.

Section 6. Meetings. (Regular) Regular meetings of the board of directors shall be held at Kingvale during the first week in July of each year upon ten days notice. Other regular meetings may be held at the principal office of the

corporation, or at any place which shall be designated from time to time by resolution of the board or by written consent of all members of the board and notice of such meetings is hereby dispensed with.

(Special). Special meetings of the board for any purpose or purposes whatever shall be called at any time by the president, or if he be absent or be unable or refuse to act, by any vice-president or by any two directors, upon due notice in writing given to each director in the manner prescribed by statute. Such meetings may be held at the principal office of the corporation or at any place which shall be designated from time to time by resolution of the board or by written consent of all members of the board.

Section 7. Quorum. A majority of the authorized number of directors shall be necessary to constitute a quorum of the board for the transaction of business.

## ARTICLE III

## Officers

Section 1. Election. The officers of this corporation shall be a president, vice-president, a secretary, and a treasurer who shall be chosen by the board of directors. Each of said officers shall serve until he shall resign, or be removed or become disqualified, or until his successor shall be elected.

Section 2. President. Subject to such powers, if any, as may be delegated by the board of directors to the executive committee, the president shall be chief executive officer, and, subject to the control of the board of directors, shall have general supervision and direction of the business and affairs of the corporation. He shall:

(1) Preside at all meetings of the board of directors, and at all meetings of the shareholders;
(2) Call all meetings of the board of directors;
(3) Employ and discharge, subject to the approval of the board, such agents and employees as the business of the corporation shall from time to time require, and prescribe their duties, terms of employment, and compensation;
(4) Exercise such other powers and perform such other duties as may be prescribed by the board of directors or these by-laws.

Section 3. Vice President. In the absence of incapacity of the president, the vice-president, or if there be more than one, the vice-president designated by the board of

directors, shall perform the duties of the president, and shall also perform such other duties as may be prescribed for him by the board of directors.

Section 4. Secretary. The secretary shall:

(1) Keep a book of minutes at the principal office of the corporation or such other place as the board of directors shall order, of all meetings of the directors and shareholders in the form and manner required by law;

(2) Keep at the principal office or at the office of the corporation's transfer agent, a share register or a duplicate share register, showing the details required by law, and also all other books of the corporation excepting books of account;

(3) Keep at the principal office open to inspection by shareholders at all reasonable times, the original or certified copy of the by-laws of the corporation as amended or otherwise altered to date;

(4) Keep the corporate seal and affix it to all papers and documents requiring a seal;

(5) Attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;

(6) Attend to such correspondence as may be assigned to him and perform all other duties incidental to his office or prescribed by the board of directors or by law.

Section 5. Treasurer. The treasurer shall:

(1) Keep and maintain open to inspection of any director at all reasonable times, adequate and correct accounts of the properties and business transactions of the corporation, which shall include all matters required by law and be in form as required by law;

(2) Have the care and custody of the funds and valuables of the corporation and deposit same in the name of and to the credit of the corporation with such depositaries as the board of directors may designate;

(3) Disburse the funds of the corporation as he may be ordered by the board, taking proper vouchers for such disbursements;

(4) Render to the president and secretary or to the board of directors, whenever they may require it, an account of all his transaction as treasurer, and a financial statement in form satisfactory to them, showing the condition of the corporation;

(5) Have such other powers and perform such other duties as may be prescribed by the board of directors.

ARTICLE IV

MEETINGS OF SHAREHOLDERS

Section 1. Annual. The annual meetings of the shareholders shall be held in the first week of July of each year at Kingvale, and not less than ten days notice thereof shall be given by the Secretary to all shareholders.

Section 2. Special. Special meetings of shareholders for any purpose or puroses whatsoever may be called at any time by the president, or by the board of directors, or by one or more shareholders holding not less than one-fifth the voting power of the corporation. Such meetings may be held at the principal office of the corporation or at any place within or without the State designated by the written consent of the shareholders entitled to vote thereat, or by the board of directors pursuant to authority granted the board in and by these by-laws.

Section 3. Notice. Written notice of any special meeting of shareholders shall be given to each shareholder entitled thereto not less than ten days before such meeting in the manner prescribed by statute, and shall specify the day and hour and place of meeting, provided that notice of special meetings shall specify also the general nature of the business to be transacted, and provided further, that before action can be taken at any annual meeting on either of the proposals mentioned in Section 2201 of the Corporations Code of California, written notice of the general nature of the business or proposal must be given as in case of a special meetings.

Section 4. Quorum. No meeting of shareholders shall transact business unless a majority of the shares entitled to vote thereat is represented, except to adjourn from day to day, or until such time as may be deemed proper.

ARTICLE V

Certificate of Stock

Certificate of stock shall be of such form and device as the Board of Directors may direct. This corporation is organized for and will engage in the business of selling, distributing, supplying and delivering water for yard irrigation purposes and for domestic use. Water shall only be sold, distributed, supplied and delivered to owners of the capital stock of this corporation, and such stock shall be appurtenant to certain lands when the same are described in the certificate issued therefor, and when so described the cerficate shall show the each share thereby represented shall be attached and appurtenant to one building lot. The board of directors shall be the exclusive judge of what constitutes a building lot to which a share of stock may be issued.

Each share of stock shall entitle the owner thereof to the use of a proportionate share of the water available for distribution by the corporation, all according to the Articles of Incorporation, these By-Laws and such rules and regulations as shall be adopted by the board of directors. The use of such water by stockholders holding stock appurtenant to certain lands shall be restricted to such lands. Each 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 to whom it is issued.

The certificate book shall contain a margin on which shall be centered the number, date, number of shares and name of the person expressed in the corresponding certificate, and the said description of the land to which the stock may have been attached and made appurtenant.

## ARTICLE VI

## Transfer of Stock

Subject to the provisions of law, the Articles of Incorporation and these By-Laws, shares of the corporation shall be transferred by the holders thereof when such holders transfer the land to which such share or shares are appurtneant, by attorney legally constituted, by their legal representatives. The certificate of stock shall be endorsed by such holder or his duly authorized agent. But no transfer shall be valid until the surrender of the certificate and the acknowledgement of such transfer on the books of the company.

No surrendered certificate shall be canceled by the secretary before a new one is issued in lieu thereof, and the secretary shall perserve the certificate so conseled as a voucher. If, however, a certificate shall be lost or destroyed, the board of directors may order a new certificate issued upon such guarantees being first given by the parties claiming the same as the board of directors shall deem satisfactory. If the land to which certain shares are appurtneant shall have been transferred without surrendering the certificate, then the board of directors may order new certificates issued for said land or property upon such guarantees from the parties claiming the same, as the board of directors shall deem necessary.

ARTICLE VII

Voting

At all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock. Such proxy shall be in writing and filed with the secretary before or at the meeting.

ARTICLE VIII

Amendments

These by-laws may be altered or amended at any meeting of the stockholders by a majority of the stock represented at such meeting, or by a two-thirds vote of the whole number of the board of directors, to be ratified by the first meeting of the stockholders thereafter.

ARTICLE IX

Waivers, Consents, Approvals

Absentees from any meeting of directors of shareholders at which a quorum is present (except an annual meeting of shareholders at which action is taken on either or the proposals mentioned in section 2201 of the Corporations Code) may sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof, and validate all transactions had or taken thereat.

ARTICLE X

Non-Profit

The corporation does not contemplate the earning of any profits nor the distribution of gains, profits or dividneds to the stockholders; assessments and charges against the captal stock shall be made only to the extent necessary to defray the costs and obligations incurred by the corporation.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, Directors and Secretary of the corporation known as and called KINGVALE PROPERTY OWNERS AND WATER USERS, INC., do hereby certify that the above and foregoing By-Laws were duly adopted as the By-Laws of said corporation, on the 2nd day of July, 1961; and that the same do now constitute the By-Laws of said corporation.

Adopted on the 2nd day of July 1961:

GEORGE R. LOCKLIN
Director

QUIRIC FOCHETTI
Director

FRED L. FILLMORE
Director

D. L. HOFER
Director

BRUCE B. BALES
Director

R. L. DUNSHEE
Secretary

Revised and ratified this 2nd day of July 1977:

GEORGE TRIMBEL
Director

GENE HARLISS
Director

ED JOHNSON
Director

JIM JOHNSON
Director

W. A. LOGAN
Secretary