

B Y - L A W S
FOR THE REGULATION, EXCEPT AS OTHERWISE PROVIDED
BY STATUTE OR ITS ARTICLES OF INCORPORATION, OF
MEADOWLARK RANCHES MUTUAL WATER COMPANY, A CORPORATION

ARTICLE I

NAME

The name of this corporation is and shall be the MEADOWLARK RANCHES MUTUAL WATER COMPANY and for convenience shall be referred to hereinafter as the "Company".

ARTICLE II

OFFICES

Section 1. PRINCIPAL OFFICE. (AMENDED 2006)

The principal office for the transaction of the business of the Company is hereby fixed and located at ~~8 East Figueroa Street,~~ **in the City of Santa Barbara, 680 Alamo Pintado Road, Suite 102, City of Solvang (AMENDED 2006),** County of Santa Barbara, State of California. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said county. Any such change shall be noted on the bylaws opposite this section, or this section may be amended to state the new location.

Section 2. OTHER OFFICE.

Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the

Corporation is qualified to do business.

ARTICLE III

OBJECTS AND PURPOSES

The objects and purposes of the Company shall be to develop, distribute, supply and deliver water for domestic, municipal and irrigation uses or any one of, such uses to its shareholders at cost and to no one except its shareholders, or to the State or any agency or department-thereof, or to any school district, or to any other mutual water company at cost. The Company shall be authorized to do whatever may be deemed necessary, conducive, incidental or advisable to accomplish and promote said objects or purposes, including but not limited to:

- (a) Constructing, leasing, maintaining and operating water system facilities;
- (b) Acquiring, owning, leasing or developing water, water rights or water bearing lands;
- (c) Paying all taxes, utilities, charges, assessments by which to further the foregoing objects and purposes; and to do any other act or thing in any way connected with the foregoing or related to the objects and purposes of the Company.

ARTICLE IV
SHAREHOLDERS

Section 1. SHAREHOLDERS. (AMENDED 1984)

Shareholders of the Company shall be limited to the owner or owners of at least one (1) 5-acre parcel of real property defined in the Articles of Incorporation. There shall be one share issued for each one (1) acre of land held. **A shareholder shall only be entitled to use water produced by the water system facilities on that land to which said shareholder owns a share(s) of company stock appurtenant to said land (ADDED 1984).** No certificate for less than a full share is permitted, but a certificate may be issued for a full share plus a fractional share, and such share and fraction shall be entitled to voting recognition to the nearest five-tenths (5/10) of a full share. For example only, if a shareholder held five and one-half acres, he would be entitled to six (6) votes, but if he held five and four-tenths (5-4/10) acres, he would only be entitled to five (5) votes. The area for the purpose of determining the number of shares of stock to be issued to a particular land owner shall be measured to the center of the road rights of way serving the subject real property. For the purpose of these bylaws, parcels shall consist of those parcels described from time to time filed in the office of the County Recorder of Santa Barbara County, California, within the area described above; and parcels resulting from the further subdivision of any parcels set forth and described and filed with the County Recorder of the

County of Santa Barbara, within the area described above.

A purchaser of any parcel of land under contract shall also be deemed to be an owner for the purposes of these bylaws. A parcel of land held as community property shall qualify the owners thereof for one (1) share certificate only in the Company, which share shall be in the name of the husband as manager of the community property. As to any parcel of land held in joint tenancy, tenancy in common, or in the name of a partnership joint venture, or in any other way, only one (1) person of any number of such co-owners shall be a shareholder of this Corporation.

Section 2. ELIGIBILITY FOR HOLDING STOCK.

All persons who become owners of parcels of property, as defined and described in Section 1 of this Article IV shall, by reason of such ownership become shareholders of the Company. There shall be one share issued for each one (1) acre of land held. No certificate for less than a full share is permitted, but a certificate may be issued for a full share plus a fractional share, and such share and fraction shall be entitled to voting recognition to the nearest five-tenths (5/10) of a full share. In addition, the Board of Directors of the Company is empowered to consider special circumstances from time to time not covered herein and based on such circumstances issue shares and determine eligibility for becoming a shareholder.

Section 2.5. MINIMUM SHARE OWNERSHIP (ADDED 1984)

Notwithstanding the provisions of Section 1 and Section 2 of

this ARTICLE IV, a shareholder of the Company who owns a parcel of real property with an area less than five (5) acres, shall be issued a minimum of five (5) shares of stock of the Company.

Section 2.6. SANTA YNEZ RIVER BOTTOM (ADDED 1984)

Notwithstanding the provisions of Section 1 and Section 2 of this Article IV, a shareholder who submits to the Board of Directors either a map prepared by a licensed civil engineer or licensed land surveyor or other documentation as required by the Board of Directors (which map or documentation delineates the specific acreage of such stockholder's real property existing within the rock and gravel river bottom of the Santa Ynez River) shall be entitled to surrender such number of shares as are allocable to the rock and gravel river bottom area within the Santa Ynez River, as indicated and delineated by said map or documentation of said shareholder's property.

Section 3. VOTING RIGHTS.

Each shareholder shall be entitled to one vote for each share certificate and fractional certificate of five-tenths (5/10) or more of a full share held on each matter submitted to the vote of the shareholders. No distinction shall exist between the shareholders except that a shareholder must be in good standing in order to vote his share certificate. Shareholders may cumulate their votes for directors as provided in Corporations Code section 2235.

Section 4. TERMINATION.

The Board of Directors may, by affirmative vote of two-thirds

of all members of the Board, suspend or expel a stockholder for cause after an appropriate hearing and by majority vote of those present at any regularly constituted meeting, and may cancel the share certificate of any shareholder who becomes in default in the payment of assessments for the period fixed in Article XIV of these by-laws.

Section 5. RESIGNATION.

Any shareholder may cancel his share or shares by filing a written cancellation with the Secretary but such cancellation shall not relieve the shareholder so canceling of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

Section 6. REINSTATEMENT.

Upon the written request signed by a former shareholder and filed with the Secretary, the Board of Directors may reinstate such former shareholder's share upon such terms as the Board of Directors may deem appropriate.

Section 7. TRANSFER OF SHARES.

Shares in this Company are transferable or assignable only with the transfer or assignment of the parcel of land to which it attaches.

Section 8. RIGHTS AND LIABILITIES.

No shareholder of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation, except upon dissolution.

The private property of the shareholders shall be exempt from execution or other liability for any debts of the Corporation and no shareholder shall be liable or responsible for any debts or liabilities of the Corporation.

ARTICLE V

MEETINGS

Section 1. PLACE OF MEETING.

The Board of Directors may designate any place, either within or without the State of California, as the place of meeting for any annual meeting or for any special meeting. If no designation is made, the place of meeting shall be the principal office of the Company; but if all the shareholders shall meet at any time and place, either within or without the State of California, and consent to the holding of a meeting before or after the meeting, such meeting shall be valid without call or notice, and at such meeting any Company action may be taken.

Section 2. ANNUAL MEETING. (AMENDED 2006 AND 2016)

The annual meeting of shareholders shall be held on the second ~~Tuesday~~ **Saturday (Amended 2006)** in the month of ~~November~~ **March** of each year, beginning with the year ~~1975~~ **2007 2016 (AMENDED 2006 and 2016)** for the purpose of electing directors, passing upon reports for the previous calendar year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on a

legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation and in the event of such failure the annual meeting shall be held within a reasonable time thereafter.

Section 3. SPECIAL MEETINGS.

Special meetings of the shareholders may be called by resolution of the Board of Directors or by shareholders holding not less than one-fifth of the total voting power, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.

Section 4. NOTICE OF MEETINGS.

Written notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than thirty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon his default, by any director or by the persons calling the meeting, to each shareholder. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the records of the Corporation, with postage thereon prepaid. The failure of any shareholder to receive notice of an annual or special meeting of the shareholders shall

not invalidate any action which may be taken by the shareholders at any such meeting.

Section 5. QUORUM.

A majority of the total number of shareholders (present in person or by proxy) shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person or by proxy may adjourn the meeting from time to time without further notice.

Section 6. PROXIES.

At any meeting of shareholders, a shareholder entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its executions, unless otherwise provided in the proxy.

ARTICLE VI

DIRECTORS

Section 1. GENERAL POWERS.

The business and affairs of the Company shall be managed by a Board of Directors of the Company which shall exercise all of the powers of the Company except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the shareholders.

Section 2. NUMBER, TENURE AND QUALIFICATIONS.

The number of directors shall be five (5). Each director shall hold office until the 1st day of January following the annual

meeting of shareholders and until his successor shall have been elected and qualified. The time of election shall be as specified by the Board of Directors and these bylaws for the annual meeting of shareholders. Directors will be elected by a plurality vote of the shareholders present at the election meeting.

Section 3. VACANCIES.

Vacancies may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual meeting of directors.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation, or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail, at any annual meeting of shareholders at which any director or directors are elected, to elect the full authorized number of directors.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the shareholders shall have power to elect a successor to take office when the resignation is to become effective.

Section 4. COMPENSATION AND FEES.

Directors and members of Committees shall receive no compensation for their services, but only such reasonable

reimbursement for expenses as may be fixed or determined by the Board of Directors, but nothing contained herein shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. PLACE OF MEETING.

The Board of Directors may designate the place of meeting, either within or without the State of California, as the place of meeting for any regular or special meeting. If no designation is made, the place of meeting shall be the principal office of the company; but if all members of the Board shall be present at any time and place and consent to the holding of a meeting before or after the meeting, such meeting shall be valid without call or notice and at such meeting any Company action may be taken.

Section 2. ORGANIZATIONAL MEETING.

Immediately following each annual meeting of shareholders the Board of Directors shall hold a regular meeting for the purposes of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 3. REGULAR MEETINGS.

Other regular meetings shall be held upon written notice. Notice of any regular meeting shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the

records of the Company. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting either before or after said meeting in writing. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these Bylaws.

Section 4. SPECIAL MEETINGS.

Special meetings of the Board may be called by the President, or if he is absent or unable or refuses to act by the Vice President or by any two directors.

Notice of any special meeting shall be given at least ten (10) days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the Company. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company.

Any director may waive notice of any meeting either before or after said meeting in writing. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these By-laws.

Section 5. QUORUM.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 6. ACTION.

The act of a majority of the directors present at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 9. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 10. WAIVER OF NOTICE.

The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written Waiver of Notice or a consent to holding such meeting, or if an approval shall be filed with the Corporate records or made a part of the minutes of the meeting.

Section 11. ADJOURNMENT.

A quorum of the Directors may adjourn any Directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the Directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

ARTICLE VIII

OFFICERS

Section 1. GENERALLY.

The officers of the Company shall be a President, Vice President, a Secretary and a Treasurer. The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the

provisions of Section 2 of this article. One person may hold two or more offices, except those of President and Secretary.

Section 2. ELECTION AND TERM OF OFFICE.

The officers of the Company shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified. Their term shall commence the 1st day of January following the annual meeting.

Section 3. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4. TERMS OF EMPLOYMENT.

The Board of Directors may appoint, employ, terminate, discharge, fix the compensation and provide for the duties and powers of such officers, agents and employees including removal with or without cause, as in the sole judgment of the Board shall be advisable subject to the provisions of this article and the provisions of written contracts of employment, if any.

Any officer may resign at any time by giving written notice to the Board, or to the president or to the secretary of the Company.

Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; the acceptance of such resignation shall not be necessary to make it effective. Such resignations shall be governed by the terms of the employment agreement if any.

Section 5. CHAIRMAN OF THE BOARD.

The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board or prescribed by the Bylaws.

Section 6. PRESIDENT.

The powers and duties of the President are as follows:

- (a) He shall be the principal executive officer of the Company and, unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;
- (b) He may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the company or shall be required by law to be otherwise signed or executed; and
- (c) He shall in general perform all duties incident as may be

prescribed by the Board from time to time.

Section 7. VICE PRESIDENT.

In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions placed upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board or the President.

Section 8. SECRETARY.

The duties of the Secretary are as follows:

- (a) He shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
- (b) He shall see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) He shall be custodian of the corporate records and of the seal of the Company and affix the seal of the Company to documents, the execution of which on behalf of the Company under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) He shall keep a register of the names and post office addresses of all shareholders;
- (e) He shall have general charge of the books of the Company;
- (f) He shall keep on file at all times a complete copy of the

Articles of Incorporation and Bylaws of the Company containing all amendments thereto (which copy shall always be open to the inspection of any shareholder and, at the expense of the company, forward a copy of the Bylaws and of all amendments thereto to each shareholder); and

- (g) He shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board or the President.

Section 9. TREASURER.

The duties of the Treasurer are as follows:

- (a) He shall have charge and custody of and be responsible for all funds and securities of the company;
- (b) He shall be responsible for the receipt of, and the issuance of receipts for, all moneys due and payable to the Company and for the deposit of all such moneys in the name of the Company in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- (c) He shall in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board or the President.

Section 10. SUBORDINATE OFFICERS.

The Board of Directors may appoint such other officers as the business of the Company may require including but not limited to assistant secretaries and assistant treasurers, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

ARTICLE IX

COMMITTEES

Section 1. COMMITTEES OF DIRECTORS.

The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Company; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed upon it or him by law.

Section 2. OTHER COMMITTEES.

Other committees not having and exercising the authority of the Board in the management of the Company may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be shareholders of the Company, and the President shall appoint the members

thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interest of the Company shall be served by such removal.

Section 3. TERM OF OFFICE.

Each member of a committee shall continue as such until the next annual meeting of the shareholders of the Company and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. CHAIRMAN.

One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 5. VACANCIES.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. QUORUM.

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. RULES.

Each committee may adopt rules for its own government not

inconsistent with these Bylaws or with the rules adopted by the Board of Directors.

ARTICLE X

SEAL

The Corporate seal of the Company shall be in the form of a circle and shall have inscribed thereon the name of the Company and the words "Corporate Seal" and "California."

ARTICLE XI

FINANCIAL MATTERS

Section 1. CONTRACTS.

Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 2. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Company shall be signed by such officer or officers, agent or agents, employee or employees of the Company and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. DEPOSITS.

All funds of the Company shall be deposited from time to time to the credit of the Company in such bank or banks as the Board may

elect.

Section 4. CALENDAR YEAR.

The calendar year of the Company shall begin on the first day of January of each and every year and shall end on the last day of December.

Section 5. GIFTS.

The Board of Directors may accept on behalf of the Company any contribution, gift, bequest or devise for the general purposes, or any special purpose of the Company.

ARTICLE XII

SHARE CERTIFICATES

Section 1.

Share Certificates of the Company shall be in such forms as the Board of Directors shall designate and shall be issued over the signature of the President and Secretary. A certificate book shall be maintained which shall contain a margin on which shall be shown the number, date and name of the shareholder, as set forth in the corresponding certificate.

Section 2.

Share Certificates of the Company shall be appurtenant to the parcels and real property as the same are described and set forth above in Article IV of these Bylaws and shall not be transferable except with the conveyance of the lot or other real property for which said certificate is issued. Such conveyance shall effect the

transfer of the certificate appurtenant to that particular parcel of real property to its purchaser.

Section 3.

Share certificates of the Company are not transferable or assignable except as specifically provided in these Bylaws.

Section 4. (AMENDED 2016)

All transfers of such certificates shall be subject to a transfer fee of ~~Fifty Dollars (\$50.00)~~ **Five Hundred Dollars (\$500.00) (AMENDED 2016)** and to the payment of all indebtedness to the Company of the shareholder whose certificate is transferred.

ARTICLE XIII

ASSESSMENTS

Section 1.

Assessments for the installation, depreciation, maintenance and operation of the pipelines and water system owned by the Company may be levied by the Board on the shareholders from time to time as deemed necessary and any such assessments shall be delinquent thirty (30) days from the date of the call therefor mailed postage prepaid from the office of the Company to such shareholders at their addresses on file with the Secretary.

Delinquent assessments shall be subject to such penalties as may be fixed by the Board. Failure of any shareholder to pay any assessment when due may in the discretion of the Board constitute a forfeiture of the right to use water from the Company system. However, the defaulting member shall be entitled to a hearing

before the Board at a time and place to be fixed by the Board, and the decision of the Board at any such hearing shall be final.

ARTICLE XIV

OPERATION OF WATER SYSTEM

Section 1.

The Board of Directors shall appoint a watermaster, whose duties may include, but are not limited to: (a) supervising and assisting in the installation of pipelines, water connections and other works of the Company and (b) supervising the distribution of water. Subject to the approval of the Directors, the watermaster may employ such assistants as may be necessary. He shall render a report to the President and Directors annually (or oftener if so required) setting forth the result of Company operations and shall perform such other duties as the President of the Board may require.

ARTICLE XV

MISCELLANEOUS

Section 1. WAIVER OF NOTICE.

Any shareholder or Director may waive in writing any notice of a meeting required to be given by these Bylaws, the Articles of Incorporation or the General Corporation Law of California. The attendance of a shareholder or Director at any meeting shall constitute a waiver of notice of such meeting by such shareholder or Director, except in case a shareholder or Director shall attend

a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Section 2. RULES AND REGULATIONS.

The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Company.

Section 3. ACCOUNTING SYSTEM AND REPORTS.

The Board shall cause to be established and maintained, in accordance with generally accepted principles of accounting, an appropriate accounting system and books of account.

Section 4. RECORD DATE AND CLOSING OF SHARE CERTIFICATE BOOK.

The Board of Directors may fix a time, in the future, not exceeding thirty (30) days prior to the date of any meeting of shareholders, or the date for any other action affecting the shareholders as a record date for the determination of the shareholders entitled to notice of and to vote at such meeting, or entitled to receive the benefit of any such other action and in such case only shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting or to receive such benefit, as the case may be, notwithstanding any transfer of any share certificates on the books of the Company after any record date fixed as aforesaid.

Section 5. INSPECTION OF COMPANY RECORDS.

The share certificate book, the books of account, the Bylaws, and the minutes of proceedings of shareholders and directors and of the executive, if any, and other committees of the Directors shall be open to inspection upon the written demand of any shareholder at any reasonable time, and for a purpose reasonably related to his interest as a shareholder, and shall be exhibited at any time when required by the demand at any shareholders meeting of ten per cent of the shareholders represented at the meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a shareholders meeting shall be made in writing upon the President, Secretary or General Manager, if any, of the Company.

Section 6. REPORTS TO SHAREHOLDERS.

Annual reports as required by law, if any, will be given to shareholders and in any event the Board of Directors may cause to be sent to the shareholders annual or other periodic reports in such form as may be deemed appropriate by the Board.

Section 7. CONSTRUCTION AND DEFINITIONS.

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural number and the plural number includes

the singular, and the term person includes corporation as well as a natural person.

ARTICLE XVI

DISSOLUTION

In the event of the dissolution of the Company, each shareholder shall receive his pro rata portion of the Company property and assets after all of the Company's debts and liabilities have been paid or provided for.

Article XVII

AMENDMENTS

Section 1.

Except as otherwise provided by law or by the Articles of Incorporation, new Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or the written assent of shareholders entitled to exercise a majority of the voting power of the Company.

Section 2.

Subject to the right of shareholders to adopt, amend or repeal Bylaws, as hereinabove provided, Bylaws other than a Bylaw or amendment thereof changing the authorized number of Directors, may be adopted, amended or repealed by the Board of Directors.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of MEADOWLARK RANCHES MUTUAL WATER COMPANY, a California corporation; and

2. That the foregoing Bylaws comprising twenty-five (25) pages constitute the Bylaws of said corporation as duly adopted at a meeting of the Board of Directors thereof duly held November 14, 1975.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 14th day of November, 1975.

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Secretary