

3rd Draft Amendments 5 26 2022 BY-LAWS OF
KYBURZ MUTUAL WATER COMPANY
A California Corporation

ARTICLE I

NAME

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

ARTICLE II

OFFICES

Section 1. Principal Office. The principal office for the transaction of business of the Company is hereby fixed and located at **11599 Kyburz Drive**, P. O. Box 33, Kyburz, California 95720 **and at the discretion of the President, the President's current address**. 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 By-Laws 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 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 or deliver water to its shareholders or their lessees at actual cost plus necessary expense to provide for irrigation or domestic use or both **as allowed by law**. 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 any one or more of the following: .

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 and assessments by which to further the foregoing objects and purposes of the Company.

ARTICLE IV

SHAREHOLDERS

Section 1. Definition. Shareholders shall be limited to owners of real property or lots within the areas designated in Exhibit "A" attached hereto and incorporated herein by reference as though set forth fully.

a. A purchaser of any lot or parcel of land under contract shall also be deemed to be an owner for the purposes of these By-Laws. A lot or 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 **(s) of both spouses of the owners**. As to any lot or parcel of land held in joint tenancy, tenancy in common, or in the name of a partnership or any other way, only one (1) person of any number of such co-owners shall be a shareholder in this corporation.

Section 2. Eligibility for Holding Stock. All persons who become owners of lots or 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 and be issued one share certificate in the Company for each lot or parcel so owned. 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 3. Voting Rights. Each shareholder shall be entitled to one vote for each share certificate 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.

Section 4. Transfer of Shares. Shares in this Company are transferable or assignable only with the transfer or conveyance of the lot or parcel of land to which it is appurtenant.

Section 5. 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

SHAREHOLDERS' MEETING

Section 1. Place of Meeting. All meetings of the Shareholders shall be held at the office of the Company in the State of California, **or other location** as may be designated for that purpose from time to time by the Board of Directors.

Section 2. Annual Meetings. The annual meetings of the

Shareholders shall be held on the fourth Saturday of June in each year at a time and place to be specified in the Notice of said meeting; at which time the shareholders shall elect by plurality vote a Board of Directors, consider reports of the affairs of the Corporation, and transact such other business as may properly be brought before the meeting.

Section 3. Special Meetings. Special meetings of the shareholders **(and eligible persons as specified by law)**, for any purpose or purposes whatsoever, may be called at any time by the President, or by the Board of Directors, or by any two or more members thereof, or by one of the shareholders holding not less than one-fifth (1/5) of the voting power of the corporation.

Section 4. Notice of Meetings. Notices of meetings annual or special shall be given **in writing** to shareholders entitled to vote **and eligible persons as specified by law from** the Secretary, President, or if there be no such officer, or in the case of their neglect or refusal, by any director or shareholder.

Such notices shall be sent **by mail** to the shareholder's address appearing on the books of the corporation or supplied by them to the corporation for the purpose of notice; **or by email or by phone; or by posting on the Kyburz Mutual Water Company website, or at the Kyburz Post Office, or other publicly accessible posting, or local newspaper listing or mutually agreed upon notification method between the Board of Directors and eligible persons** not less than seven days before such meeting.

Notice of any meeting of shareholders shall specify the place, the day and the hour of meeting, and in case of special meetings, as provided by the Corporations Code of California, the general nature of the business to be transacted **and/or Agenda**.

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

Section 5. (Deleted 6/25/2022) ~~Consent to Shareholders' Meetings~~. ~~The transactions of any meeting of shareholders, however called and noticed, shall be valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the shareholders entitled to vote, not present in person or by proxy, sign a written waiver of notice or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the Company meeting.~~

~~Any action which may be taken at a meeting of shareholders may be taken without a meeting if so taken by a writing signed by all~~

~~of the holders of shares who would be entitled to vote at a meeting for such purpose, and filed with the secretary of the corporation.~~

Section 6. Quorum. Twenty percent (20%) of the shares . entitled to vote represented in person or by proxy shall constitute a quorum at a meeting of shareholders. If a quorum is present the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter shall be the act of the shareholders. If a quorum is not present or represented at any meeting of shareholders, the shareholders entitled to vote who are present, in person or by proxy, shall have the right to adjourn the meeting from time to time until the required amount of voting shares shall be present. At such adjourned **and properly noticed** meeting at which the requisite amount of voting shares shall be represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Voting Rights; Cumulative Voting. Only persons in whose name's shares entitled to vote stand on the stock records of the corporation on the day of any meeting of shareholders, unless some other day be fixed by the Board of Directors for the determination of shareholders of record, then on such other day shall be entitled to vote at such meeting.

Every shareholders entitled to vote shall be entitled to one vote for each of said shares and shall have the right to accumulate his or her votes as provided in Section 708 of the Corporations Code of California.

Section 8. Proxies. Every shareholder entitled to vote, or to execute consents may do so, either in person or by written proxy, executed in accordance with the provisions of Section 705 of the Corporations Code of California and filed with the Secretary of the Corporation **prior to or at the beginning of the meeting with the Secretary or designated secretary of the meeting.**

ARTICLE VI DIRECTORS; MANAGEMENT

Section 1. Powers. Subject to the limitations of the Articles of Incorporation of the By-Laws and of the Laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by a Board of Directors.

Section 2. Number and Qualifications. The authorized number of directors of the corporation shall be five (5), until changed by amendment to the Articles of Incorporation or by an amendment to this Section 2, Article VI of these By-Laws, adopted by the vote or written assent of the shareholders entitled to exercise the majority of the voting power of the corporation. **To qualify for nomination and election to the Board one must be a shareholder in good standing and agree to take any and all training as specified by law.**

Section 3. Election and Tenure of Office. The directors shall be elected by ballot at the annual meeting of the shareholders, to serve for one year and until their successors are elected and have qualified. Their term of office shall begin immediately after election.

Section 4. Vacancies. Vacancies in the Board of Directors may be filled by a majority of remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until their successor is called for that purpose.

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

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

If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board or the shareholders shall have power to elect a successor to that office when the resignation shall become effective.

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

Section 5. Removal of Directors. The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. Place of Meeting. Meetings of the Board of Directors. ~~Shall be held at the office of the corporation in the State of California, as designated for that purpose, from time to time, by resolution of the Board of Directors, or written consent of all of the members of the Board. Any meeting shall be valid, wherever held, if held by the written consent of all members of the Board of Directors, given either before or after the meeting and filed with the Secretary of the corporation.~~ Meetings shall be held in Kyburz, CA and/or by remote communication at the sole discretion of the President or a majority of the Board. From time to time at the discretion of a unanimous Board, Board meetings may be held at any location where remote communication is provided for eligible persons who have registered to attend.

Section 7. Organization Meetings. The organization meetings of the Board of Directors **at which Officers of the Board**

of Directors shall be elected by the Board shall be held immediately following the adjournment of the annual meetings of the shareholders or may be held from time to time at any meeting of the Board in which the Board decides to fill a vacant Officer position.

Section 8. Other Regular Meetings. Regular meetings of the Board of Directors shall be held on the first ~~of March of each year after close of regular shareholders' meetings.~~ Saturday of April and the first Saturday of November at which the annual Budget for the following year shall be proposed. Both meetings are at the pleasure and discretion of the President or the Board. ~~No notice need be given of such regular meetings.~~

Section 9. Special or Emergency Meeting Notices.

Special or emergency meetings of the Board of Directors for any purpose or purposes shall be called at any time in accordance with applicable provisions of Article XVIII by the President or if he is absent or unable or refuses to act, by any Vice-President, or by any two directors.

~~Written Notice of the time and place of special or emergency meetings shall be delivered personally to the directors or sent to each director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation, or if it is not shown on such records, or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the corporation is located shall be at least forty-eight (48) hours prior to the time of the holding of the meeting, setting forth the agenda, time and place of the meeting- in accordance with the provisions of Article XVIII. Notice given to a director and eligible persons pursuant to this section as above provided shall be proper, legal and personal notice to such director and eligible persons.~~

Section 10. Training. Waiver of Notice. ~~When all the directors are present at any directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or, if a majority of the directors are present, and if those not present sign in writing a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which said waiver shall be filed with the Secretary of the Corporation, the transactions thereof are as valid as if had at a meeting regularly called and noticed. Each Director shall be made aware of and complete any and all training specified by law for the proper and legal running of Mutual Water Companies by Directors.~~

Section 11. Notice of adjournment. ~~Notice of the time and place of holding meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.~~ Annual Budget. The board shall adopt, in an open meeting, an annual budget on or before the start of each fiscal year of the mutual water company.

Section 12. Quorum. A majority of the number of directors as fixed by the Articles or By-Laws shall be necessary to constitute a quorum for the transaction of business, and the action of a majority of the directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act, provided that a minority of the directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

Section 13. (Deleted 6//2022) Consent of Board Obviating Necessity of Meeting. ~~(Pursuant to California Corporations Code Section 307.) Notwithstanding anything to the contrary contained in these By-Laws, any action required or permitted to be taken by the Board of Directors under any provisions of Sections 100-2319 of the Corporations Code of California may be taken without a meeting, if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.~~

ARTICLE VII

OFFICERS

Section 1. Officers. The officers shall be a President, one or more Vice-Presidents, a Secretary and a Chief Financial Officer, which officers shall be elected by and hold office at the pleasure of the Board of Directors.

Section 2. Election. After their election the directors shall meet and organize by electing a President from their own number, and one or more Vice-Presidents, a Secretary, and a Chief Financial Officer, who may, but need not be, members of the Board of Directors. Any two or more of such offices except those of President and Secretary may be held by the same person.

Section 3. Compensation and Tenure of Office. The compensation and tenure of office of all the officers of the corporation shall be fixed by the Board of Directors. Salaries paid persons operating, or employed by, the corporation shall be limited to reasonable salaries for the service rendered.

Section 4. Removal and Resignation. Any officer of the corporation **may be removed**, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board. ~~, or, except in case of any officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.~~

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

Section 7. Vice-President(s). The Vice-President(s) shall, in the order designated by the Board of Directors, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

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

The Secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or a duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of

certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

Section 9. Chief Financial Officer. The Chief Financial Officer shall receive and keep all the funds of the corporation and pay them out only on the check of the corporation, signed in the manner authorized by the Board of Directors.

Section 10. Assistants. Any Assistant Secretary or Assistant Treasurer, respectively, may exercise any of the powers of Secretary or Treasurer, respectively, as provided in these By-Laws or as directed by the Board of Directors, and shall perform such other duties as are imposed upon them by the By-Laws or the Board of Directors.

Section 11. Subordinate Officers. The Board of Directors may from time to time appoint such officers or agents as the business of the corporation may require, fix their tenure of office, and allow them suitable compensation.

ARTICLE VIII

EXECUTIVE AND OTHER COMMITTEES

The Board of Directors may appoint an executive committee and such other committees as may be necessary from time to time, consisting of such number of its members and with such powers as it may designate, consistent with the Articles of Incorporation and By-Laws and the General Corporation Laws of the State of California. Such committees shall hold office at the pleasure of the board.

ARTICLE IX

CORPORATE RECORDS AND REPORTS INSPECTION

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

Section 2. Inspection of Books and Records. All books and records provided in Sections 1600-1603 of the Corporations Code of California shall be open to

inspection of the directors and shareholders from time to time and in the manner provided in said Sections 1600-1603. **The minutes, draft minutes proposed for adoption, or a summary of the minutes of any meeting of the Board shall be made available to eligible persons upon request after reimbursement of the Company's copying expenses and proof of qualification as an eligible person within 30 days of the meeting. Within 7 days of a written request for documents listed in Sections 14306 and 14307 of the Corporations Code from an eligible person, said documents shall be mailed after reimbursement for copying and mailing fees and proof of qualification as an eligible person. There will be no fees associated with access to emailed documents. From time to time such documents may be added to the Company website for public viewing under the direction of the President or Board of Directors.**

Section 3. Certification and Inspection of By-Laws. The original or a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, shall be open to inspection by the shareholders of the company, as provided in Section 502 of the Corporations Code of California.

Section 4. Checks, Drafts, Etc. All checks, drafts or other order of payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 5. Contracts, Etc, How Executed. The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the corporation.

Such authority may be delegated only in specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any authority to bind the corporation by any contract or commitment, or the pledge of its credit, or to render it liable for any purpose or total amount.

Section 6. Annual Reports. The Board of Directors shall cause annual reports to be made to the shareholders as provided by Section 1501 of the Corporations Code of California, except that the requirement that such reports shall be sent to each

shareholder is hereby expressly dispensed with. In lieu thereof, the Board of Directors may, in its discretion, specify the manner in which such annual reports shall be made available to the shareholders.

ARTICLE X

CERTIFICATES AND TRANSFER OF SHARES

Section 1. Issuance. 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 maintain a margin on which shall be shown the number, date, and name of the shareholder, as set forth in the corresponding certificate.

Section 2. Appurtenancy; Fractional Shares. Share certificates of the Company shall be appurtenant to the lots and real property as the same are described and set forth above in Article IV of these By-Laws and shall not be transferrable except with the conveyance of the lot or other real property for which said certificate **has been** issued. No fractional certificates shall be issued. Such conveyance shall effect the transfer of the certificate appurtenant to that particular lot or real property to its purchaser.

Section 3. Not Transferrable. Share certificates of the Company are not transferrable or assignable except as specifically provided in these By-Laws and each certificate shall so indicate.

Section 4. Payment on Transfer. All transfers of such certificates shall be subject to a transfer fee of **One Hundred Dollars (\$100.00)** and to the payment of all indebtedness to the Company of the shareholder whose certificate is transferred.

Section 5. Transfer Agents and Registrars. The Board of Directors may appoint one or more transfer agents or transfer clerks and one or more registrars, which ~~shall~~ **may** be an incorporated bank or trust company either domestic or foreign, who shall be appointed at such times and places as the requirements of the corporation may necessitate and the Board of Directors may designate.

Section 6. Closing Stock Transfer Books. The Board of Directors may close the transfer books in their

discretion for a period not exceeding thirty (30) days preceding any meeting, annual or special, of the shareholders, or the day appointed for the payment of a dividend.

ARTICLE XI

CORPORATE SEAL

The corporate seal shall be circular in form and shall have inscribed thereon the name of the corporation, the date of its incorporation and the word CALIFORNIA.

ARTICLE XII

AMENDMENTS TO BY-LAWS

Section 1. By Shareholders. New By-Laws may be adopted or these By-Laws may be repealed or amended at their annual meeting, or at any other meeting of the shareholders called for that purpose, by a vote of shareholders entitled to exercise a majority of the voting power of the corporation, or by written consent of the shareholders.

Section 2. Powers of Directors. Subject to the right of the shareholders to adopt, amend or repeal By-Laws, as provided in Section 1 of this Article XII, the Board of Directors may adopt, amend or repeal any of these By-Laws other than a By-Law or amendment thereof changing the authorized number of directors.

Section 3. Record of Amendments. Whenever an amendment or new By-Law is adopted it shall be copied into the Book of By-Laws filed with the original By-Laws in the appropriate place. If any By-Law is repealed, the fact of repeal with the date of the meeting at which the repeal was voted or written consent was filed shall be stated in said book.

ARTICLE XIII

OPERATION OF WATER SYSTEM

The Board of Directors, **at their discretion, may** ~~shall~~ appoint a utility master, 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 utility master 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 or the Board may require. **Absent a utility master the President and the Board of Directors assume these responsibilities.**

ARTICLE XIV

ASSESSMENTS

Section 1. Purpose of Levy. Assessments for the construction, installation, maintenance and operation of the pipelines and water system owned by the company, or for the acquisition, lease or development of water, water rights or water-bearing lands, or for the payment of taxes, utilities or charges for the system owned by the company may be levied by the Board on the shareholders from time to time as the Board may deem necessary.

Section 2. Form and Content. Such assessments may be continuing assessments in the form of annual, quarterly or other periodic billings to shareholders, or may be single assessments, may establish differing classification of water users and user rates and may include such other reasonable provisions, for levy, collection or otherwise, as the Board may deem advisable from time to time.

Section 3. Notice of Levy. The Board shall give each shareholder notice of each single assessment in a writing which shall set forth the date and the amount of the assessment, the date upon which the assessment is payable, the date on which the assessment shall be delinquent and the statement that "unless payment is made prior to such delinquency, the share shall be forfeited to the corporation along with all rights thereto, pursuant to Civil Code Section 331". In the case of a periodic assessment, the notice instead of a due date and a delinquency date, shall state the interval chosen and the number of days after mailing of each bill after which that installment shall become delinquent, but shall contain all other items as required above.

Section 4. Service of Notice. The notice shall be served upon each shareholder personally or by mail

addressed to the shareholder at his last address as it appears on the books of the corporation, or if it does not appear, **by phone, or on the Company website, or by email or other electronic means**, or at the place where the principal office of the corporation is located and published once in some newspaper of general circulation, published in the city or town ~~of the nearest the principal office of the corporation. or if there is no such newspaper published in the city of the principal office of the corporation,~~ **publication shall be made in some such newspaper (if there is one) of the county, or if there is none, then Personal service or service by mail and publication shall be made at least ten (10) days prior to mailing of the first bill for a periodic assessment.**

ARTICLE XV
MISCELLANEOUS

(Amended June 15, 1985 by adding Section 5.)

Section 1. Recordation. A certified copy of the Articles of Incorporation of the Company shall be recorded in the Office of the County Recorder of El Dorado County, as required by California Civil Code Section 330. 24.

Section 2. Use of Water and Water Works for Emergency and Fire. During any emergency resulting from fire or other disaster involving danger to public health or safety, water may be furnished to the agency fighting such disaster.

Section 3. State Ownership of Lands. In the event lands to which any of the company is appurtenant are owned or acquired by the state, or any department, district or agency thereof, or any school district, or public agency, such stock shall be cancelled by the Secretary of the company but shall be reissued to any person later acquiring title to such land for the state department, district or agency, or public agency.

Section 4. 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 By-Laws, as it may deem advisable for the management of the business and affairs of the company.

ARTICLE XVI

DISSOLUTION

In the event of 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

REASONABLE RATE STRUCTURE

A rate structure shall be established by the Board of Directors for the water system which will result in the accumulation and maintenance of a fund for the replacement of the respective facilities and bear a reasonable relationship to the cost of furnishing water services. Unimproved lots included within the area to be served shall bear an appropriate share of the costs of maintaining the water system. The Board of Directors shall require the corporate engineer to provide estimates from time to time so that the Board of Directors may properly carry out its function in establishment of proper reserve.

ARTICLE XVIII

OPEN MEETINGS

Section 1. Permitted Attendees of Board and Shareholders Meetings. All shareholders and other eligible persons as specified in the Code of Corporations Section 14305 shall be allowed access to Shareholder's and Board meetings in person or via remote electronic means as provided herein.

Section 2. Notice of intent to attend a meeting.
A. All non-shareholding eligible persons desiring attendance at a Shareholder's or Board of Directors meeting shall provide written notice of intent and qualification to attend said meeting. Notice must be given by mail or email. B. All shareholding eligible persons desiring attendance to Board of Directors meetings shall give at least 24 hours notice of the intent to attend said meeting. C. All such notifications must be received by the President or presiding officer at least 24 hours prior to the commencement of the meeting. The notice of intent shall include: Name, certification of eligibility to attend, contact information including mailing address,

residence or owner's address within KMWC service area, phone number, and email address, and agenda topic (if any) they desire time to address at the meeting. D. Accommodation to address the meeting is contingent on giving 24 hour notice.

Section 3. Accommodation of eligible persons.

Due to the possible limitations of space at any meeting, all eligible persons may not be able to physically attend in person. In such cases electronic means of communicating the meeting's proceedings shall be provided as an accommodation for limited space for physical attendance as is technologically feasible at the time of the meeting.

Section 4. Time limit on speaking at meetings.

Each eligible person who has given notice of the desire to address the Board will be allotted 3 minutes to do so. At the presiding officer's sole discretion this time limit may be extended depending on the relevance, urgency, or other factors determined solely by the presiding officer that the speaker warrants extra time. At the presiding officer's or a majority of the directors present discretion the allotted time for all speakers may be extended to a set time limit at the beginning of the meeting.

Section 5. Notification of Meetings.

Notification of Shareholder's and Board of Director's meetings shall be given not less than 7 days notice personally via mail, email, phone, or verbally in person; or publicly via website posting or posting at the Kyburz Post Office, or any other acceptable means mutually agreed upon by the President, Secretary or two Directors of the Board and the eligible person desiring attendance to a qualifying meeting. Excepting shareholder's notifications of shareholder's meetings, only eligible persons requesting mailed notifications of meetings shall be notified via mail. Mailing and reproduction costs associated with such notifications shall be paid in advance. Such mailing shall not occur until payment has been made.

Section 6. Meeting Notification List of Eligible Persons. Eligible persons desiring to have mailed or emailed notification of all meetings shall notify the President or Secretary by mail, email, or other authorized method of their choice to be placed on the "Meeting Notification List" maintained by the Secretary for this purpose and clearly state their qualification as an eligible person and desired method of notification. This

notification shall be mailed to P.O. Box 33, Kyburz CA 95720 or any other address chosen by the Board of Directors from time to time, or emailed directly to the President or Secretary or through the website as provided.

Section 7. Emergency Meetings. An emergency meeting of the Board may be called by the President, or by any two members of the Board 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. Emergency meetings are the only type of meeting allowed to be conducted electronically via a series of emails or other electronic methods as provided for in 14305 of the Corporations Code.

Section 8. Executive Sessions. Eligible persons including shareholders shall not be permitted to attend Executive Sessions of the Board except as provided or mandated in Section 14305 of the Corporations Code. All matters discussed in Executive Session shall be generally noted in the meeting minutes at which the Executive Session was held.

Section 9. Definition of Eligible Persons. "Eligible Persons" refers to: A. All shareholders; 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 supplies drinking water; C. An elected official or regulator who represents people who receive drinking water directly from the Company.

CERTIFICATION OF SECRETARY

I, the undersigned, do hereby ratify:

1. That I am the duly elected and acting
Secretary of

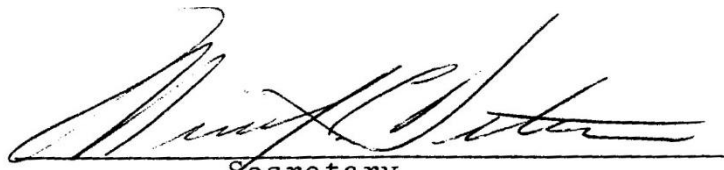
KYBURZ MUTUAL WATER COMPANY, a California corporation;
and

2. The foregoing amended By-Laws comprised of
twelve .

(12) pages constitute a true and correct copy of the By-
Laws adopted at a Meeting of the Board of Directors of
KYBURZ MUTUAL WATER COMPANY held on .

IN WITNESS WHEREOF, I have hereunto subscribed
my name and affixed the seal of said corporation this
29th day of December

1982.


Secretary

AMENDMENT NO. 1
TO BYLAWS OF
KYBURZ MUTUAL WATER COMPANY
ADOPTED JUNE 15, 1985

Article XV is hereby amended by adding Section 5:

"5. Temporary Water Supply:

The Board of Directors shall have the authority to . authorize the temporary supply and delivery of water to any eligible parcel of property for which a share has not been previously issued, but which issuance is pending, under the following circumstances:

(a) The owner has applied for the issuance of a share and paid, or satisfactorily posted the guarantee for payment of, the price of the share and all other appropriate fees, charges, and sums required by the Board; and

(b) The owner has met all other requirements for the issuance of a share and the parcel and owner have been determined to be eligible for the issuance of such share by the Board; and

(c) The shares cannot immediately be issued by the Company because (i) a valid, current permit, or permits, therefor have not been issued by the Corporation Commissioner or other required governmental agency, or (ii) other legal impediment to the issuance of the share exists; and

(d) The Board determines that a hardship would exist to the parcel and/or owner if temporary water service was not provided pending the issuance of the share.

DATED: ~~June~~ 15, 1985

Edward Meyer

Lloyd McLean

ATTEST:

Patricia Slaight

PATRICIA SLAIGHT, Secretary

Margaret Swadlow
James R. Slaight
Andy Bell

EXHIBIT "A"

AMENDED JUNE 15, 1985

Situate in the County of El Dorado, State of California, and more particularly described as follows:

The Northwest quarter of the Northwest quarter of Section 27 and North half of Northeast quarter of Section 28, Township 11 North, Range 15 East, M.D. B. & M; together with and including Kyburz Mountain Resort Unit No. 1, according to the map filed in the office of El Dorado County Recorder on October 3, 1957, Map B, page 87; Kyburz Mountain Resort Unit No. I, according to the map filed in the office of El Dorado County Recorder on August 18, 1957, Map B, page 78; Kyburz . Mountain Resort Units 2, 3 and 4, according to the map filed in the office of the El Dorado County Recorder on July 6, 1960, Map C, page 53.

AMENDMENT NO. 2
TO BYLAWS OF
KYBURZ MUTUAL WATER COMPANY
ADOPTED JUNE 20, 1987

Article V is hereby amended by deleting Section 2 and substituting the following in its place;

Section 2. Annual Meetings. The annual meetings of the Shareholders shall be held on the third Saturday of June in each year at a time and place to be specified in the Notice of said meeting; at which time the shareholders shall elect by plurality vote a Board of Directors, consider reports of the affairs of the Corporation, and transact such other business as may properly be brought before the meeting,

I hereby certify that the foregoing amendment to Article V Section 2 of the Bylaws of Kyburz Mutual Water Company was duly adopted at a meeting of shareholders on June 20, 1987 .

DATED: June 20, 1987


JAMES B. THOMPSON, Secretary

**AMENDMENT NO. 3
TO BY LAWS OF
KYBURZ MUTUAL WATER COMPANY
ADOPTED JUNE 21, 2003**

Article XIV is hereby amended by adding section 5:

“5. Failure to Pay Assessments and for Water Service:

(a) In the event any assessment or amount for water service is not paid by the delinquent date set forth on a Notice of Levy as described in Section 3 of this Article XIV, the Board shall cause a Thirty Day Notice to be served, as provided in Section 4 of this Article XIV.

(b) The Thirty Day Notice shall be in substantially the form as attached hereto and marked Exhibit A.

(c) In the event all delinquencies as set forth in the Thirty Day Notice are not paid within thirty(30) days after serving the Notice and posting the Notice in a visible location on the delinquent property, the Board shall cause the delinquent property to be posted with NOTICE OF TERMINATION OF WATER SERVICE in substantially following form as attached hereto and marked Exhibit B.

(d) The date to be inserted for termination of water service shall be the third day after posting of the NOTICE OF TERMINATION OF WATER SERVICE on the delinquent property. Unless all conditions of the Thirty Day Notice have been met by the third day after posting of the NOTICE OF TERMINATION OF WATER SERVICE, to the satisfaction of the Board in its sole discretion, the water service shall be terminated and disconnected as set forth in the NOTICE OF TERMINATION OF WATER SERVICE.

(e) With respect to any action authorized herein, in case of hardship , or for good cause, to be determined in the sole discretion of the Board , and upon terms and conditions to be determined in the sole discretion of the Board, the Board may, but shall not be obligated to, take the following action:

(1) Suspend or waive termination and disconnection of water service to the delinquent property: and/ or

(2) Suspend or waive the forfeiture of the water share appurtenant to the delinquent property.

EXHIBIT A

THIRTY DAY NOTICE
OF
DELINQUENCY OF WATER ASSESSMENTS
TERMINATION OF WATER SERVICE

FORFEITURE OF WATER SHARE

NOTICE IS HEREBY GIVEN that unless the following delinquent amounts for assessments and water service are paid in full within 30 days after mailing and posting of this notice on the hereinafter-described Property being served with water, that water service to the Property will be TERMINATED and the water share appurtenant to the Property will be FORFEITED to the corporation.

Property : _____

Delinquent Amounts: \$ _____

Assessment: \$ _____

Water Service: \$ _____

TOTAL DUE: \$ _____

NOTICE IS FURTHER GIVEN, that, after termination of water service and forfeiture of the water share, water service WILL NOT be restored to the Property unless and until:

1. A new water share appurtenant to the Property is purchased for an amount to be determined by the Board of Directors in its sole discretion, and issued appurtenant to the Property; and
2. All prior delinquent amounts for assessments and for water service are paid in full; and
3. All amounts for assessments and water service for the current water year are paid in full, if they are not included in the above-delinquent amounts; and
4. A security deposit for future amounts for assessments and water service in amount to be determined in the sole discretion of the Board of Directors is posted; and
5. All costs of termination and reconnection of the water service to the Property and issuance of a new water share, in an amount to be determined by the Board of Directors in its sole discretion, are paid in full.

After forfeiture, there is NO ASSURANCE that a new water share will be available for purchase and issuance.

Dated: _____

BY ORDER OF THE BOARD OF DIRECTORSKYBURZ MUTUAL WATER COMPANY

Contact: (530) 293-3270

Exhibit B

NOTICE OF TERMINATION OF WATER SERVICE

NOTICE IS HEREBY GIVEN, that the water share appurtenant to the hereinafter described property has been FORFEITED to the corporation by order of the Board of Directors for non-payment of delinquent amounts due for assessment and water service.

Property:_____

WATER SERVICE TO THIS PROPERTY WILL BE
TERMINATED AND DISCONTINUED WITHOUT
FURTHER NOTICE ON OR ABOUT 10:00 A.M.

On _____

By order of the Board of Directors

KYBURZ MUTUAL WATER COMPANY

Date of this notice:_____

Contact: (530) 293-3270

CERTIFICATION

I hereby certify that the foregoing Amendment Number 3, to the Bylaws of Kyburz Mutual Water Company, adding Section 5, to Article XIV, was duly adopted at a meeting of shareholders and a meeting of the Board of Directors, each held on June 21, 2003.

Dated June 21, 2003

NINA POOLE, Secretary

TO
BY LAWS OF
KYBURZ MUTUAL WATER COMPANY
ADOPTED JUNE 23, 2007

Article V, Section 2 is hereby deleted and the following substituted in its place:

"Section 2. Annual Meetings. The annual meetings of Shareholders shall be held on the fourth Saturday of June in each year at 1 P.M. at a place specified in the Notice of said Meeting; at which time the Shareholders shall elect by plurality vote a Board of Directors, consider reports of the affairs of the Corporation, and transact such other business as may properly be brought before the meeting."

CERTIFICATION

I hereby certify that the foregoing Amendment Number 4, to the Bylaws of Kyburz Mutual Water Company, amending Section 2, to Article V, was duly adopted at a meeting of shareholders and a meeting of the Board of Directors, each held on June 23, 2007.

Dated: June 23, 2007

Theresa Walker, Secretary