

\$3.5 Million & \$5 Million

for the Lake of the Woods

But we need your vote to get it

Your Lake of the Woods Mutual Water Company has been “penciled in” to receive a Grant for \$3.5 million dollars from the State Water Resource Control Board (SWRCB) and \$5 million dollars from The Department of Water Resources (DWR) to pay for the replacement of more of our undersized, leaky water mains, south tanks and SCADA system.

but there are conditions.

Our Bylaws require we get shareholder approval for the contracts to make these improvements. Considering the number of contractors involved, that could mean you will need to attend several meetings per month.

If we don't, then we won't be given the money

Our attorney has reviewed the Bylaws. There are several areas that don't meet legal requirements. They are in serious need of being updated and corrected. Therefore our attorney and the Board of Directors are presenting the attached Amended Bylaws along with an attached copy of the current Bylaws. If the Amended Bylaws are approved by the shareholders the grant goes from being “penciled in” to being a solid deal.

We are planning to hold a Special Shareholders Meeting on 9-11-2021 for anyone that has questions. You will also be able to submit your vote at that time to approve the Amended Bylaws.

If you are unable to attend the meeting but would still like to vote to approve the change, please fill out the attached ballot and submit it to the office before 9-10-2021.

If you are unable to attend the meeting but would like to have a proxy vote on your behalf, please complete the attached proxy and deliver it to our office no later than 9-10-2021.

If there are not enough Votes the board will adjourn to September 18th at 6:00pm at Cuddy Hall.

**Location: Cuddy Hall, 3305 Lakewood Place, Frazier Park, Ca
93225**

If we are unable to hold an in person meeting due to Covid restrictions, you may join Via Zoom

Only available IF no in person is available.

Teleconference Via: Zoom.com Id# 856 7147 2530

Password: 031450 Phone #669-900-9128

Lake of the Woods Mutual Water Company

Board of Directors

LAKE OF THE WOODS MUTUAL WATER COMPANY

SPECIAL MEETING OF THE SHAREHOLDERS

Date: September 11, 2021

Time: 6:00 p.m.

Location: Cuddy Hall, 3305 Lakewood Place, Frazier Park, Ca 93225

**If we are unable to hold an in person meeting due to Covid restrictions
you may join Via Zoom**

Only available IF no in person is available.

Teleconference Via: Zoom.com Id# 856 7147 2530

Password: 031450 Phone #669-900-9128

Board of Directors

Joan Kotnik, President

Stanley Eisman, Vice President

Mary Dreier, Secretary/Treasurer

Patricia Hampton, Director

Michael Green

Office Manager

Pamela Jarecki

Assistant Office Manager

Brenda Fessia

Distribution & Treatment Operator

Erik Alcala

AGENDA

- 1. CALL TO ORDER**
- 2. APPROVAL OF NEW BYLAWS FOR LAKE OF THE WOODS MUTUAL WATER COMPANY**
- 3. OTHER BUSINESS**
- 4. ADJOURNMENT**

Next board meeting October 7, 2021 on Zoom. If you have any questions, please call (661) 245-1448.

LAKE OF THE WOODS MUTUAL WATER COMPANY BALLOT TO APPROVE THE NEW BYLAWS FOR
LAKE OF THE WOODS MUTUAL WATER COMPANY

Date: September 11, 2021

Time: 6:00 p.m.

Cuddy Hall, 3305 Lakewood Place, Frazier Park, Ca 93225

If we are unable to hold an in person meeting due to Covid restrictions you may join Via Zoom,
only available IF no in person is available.

Teleconference Via: Zoom.com Id# 856 7147 2530 Password: 031450 Phone #669-900-9128

BALLOT/PROXY

(PLEASE USE A PEN TO MARK YOUR BALLOT)

I/WE authorize my proxy to vote as follows (choose from one of the following 3 choices):

1. _____ **ABSTAIN** from voting 2. _____ **VOTE** at proxy holder's discretion 3. _____ **VOTE** as follows

I, _____ (print or type full name), am an owner
of the property served by the Lake of the Woods Mutual Water Company at:

Address: _____

City: _____

Zip: _____

Lot: _____

We are property owner/members served by the Lake of the Woods Mutual Water Company.

☐

We **DO** APPROVE – the new bylaws for Lake of the Woods Mutual Water
Company

☐

We **DO NOT** APPROVE – the new bylaws for Lake of the Woods Mutual Water
Company

Signature: _____

Date: _____

If there are not enough Votes the board will adjourn to September 18th at 6:00pm.

\$3.5 Million

for the Lake of the Woods

But we need your vote to get it

Your Lake of the Woods Mutual Water Company has been “penciled in” to receive a Grant for \$3.5 million dollars from the State of California to pay for the replacement of more of our undersized, leaky water mains

but there are “conditions.”

Our Bylaws require we get a majority of the shareholders to vote to approve the contracts to make these improvements. Considering the number of contractors involved, that could mean you will need to attend several meetings per month. Each meeting must have approximately 120 shareholders attending and vote to approve.

If we don't, then we won't be given the money

Our attorney has reviewed the Bylaws. There are several areas that don't meet legal requirements. They are in serious need of being updated and corrected. Therefore our attorney and the Board of Directors are presenting the attached Amended Bylaws along with an attached copy of the current Bylaws. If the Amended Bylaws are approved by approximately 120 shareholders the grant goes from being “penciled in” to being a solid deal.

We are planning to hold a Special Shareholders Meeting on _____ for anyone that has questions. You will also be able to submit your vote at that time to approve the Amended Bylaws.

Then we will have another Special Shareholder Meeting on _____ as the deadline for everyone to submit their vote..

If you are unable to attend the meeting but would still like to vote to approve the change, please fill out the attached ballot and submit it to the office before _____.

If you are unable to attend the meeting but would like to have a proxy vote on your behalf, please complete the attached proxy and deliver it to our office no later than _____.

Lake of the Woods Mutual Water Company

Board of Directors

LAKE OF THE WOODS MUTUAL WATER COMPANY

SPECIAL MEETING OF THE SHAREHOLDERS

Date: September 15, 2021

Time: 6:00 p.m.

Teleconference Via: Zoom.com Id# 856 7147 2530

Password: 031450 Phone #669-900-9128

Board of Directors

Joan Kotnik, President

Stanley Eisman, Vice President

Mary Dreier, Secretary/Treasurer

Patricia Hampton, Director

Michael Green

Office Manager

Pamela Jarecki

Assistant Office Manager

Brenda Fessia

Distribution & Treatment Operator

Erik Alcala

AGENDA

- 1. CALL TO ORDER**
- 2. APPROVAL OF NEW BYLAWS FOR LAKE OF THE WOODS MUTUAL WATER COMPANY**
- 3. OTHER BUSINESS**
- 4. ADJOURNMENT**

Next board meeting October 7, 2021 on Zoom. If you have any questions, please call (661) 245-1448.

LAKE OF THE WOODS MUTUAL WATER COMPANY BALLOT TO APPROVE THE NEW BYLAWS FOR
LAKE OF THE WOODS MUTUAL WATER COMPANY

Date: September 11, 2021

Time: 6:00 p.m.

Cuddy Hall, 3305 Lakewood Place, Frazier Park, Ca 93225

If we are unable to hold an in person meeting due to Covid restrictions you may join Via Zoom,
only available IF no in person is available.

Teleconference Via: Zoom.com Id# 856 7147 2530 Password: 031450 Phone #669-900-9128

BALLOT/PROXY

(PLEASE USE A PEN TO MARK YOUR BALLOT)

I/WE authorize my proxy to vote as follows (choose from one of the following 3 choices):

1. _____ **ABSTAIN** from voting 2. _____ **VOTE** at proxy holder's discretion 3. _____ **VOTE** as follows

I, _____ (print or type full name), am an owner
of the property served by the Lake of the Woods Mutual Water Company at:

Address: _____

City: _____

Zip: _____

Lot: _____

We are property owner/members served by the Lake of the Woods Mutual Water Company.

☐

We **DO** APPROVE – the new bylaws for Lake of the Woods Mutual Water
Company

☐

We **DO NOT** APPROVE – the new bylaws for Lake of the Woods Mutual Water
Company

Signature: _____

Date: _____

If there are not enough Votes the board will adjourn to September 18th at 6:00pm.

**AMENDED BYLAWS
of the
LAKE OF THE WOODS MUTUAL WATER COMPANY**

ARTICLE I

The corporate powers of this corporation shall be vested in a Board of Directors of five, who shall be stockholders, holding one or more shares of stock in their own names on the books of the corporation, and three shall constitute a quorum for the transaction of business.

ARTICLE II

ELECTION AND COMPENSATION OF DIRECTORS

- A. The Board of Directors shall be elected by ballot at the annual meeting of stockholders, or at a stockholders' meeting duly called for the purpose. Any stockholder desiring to become a candidate for director shall, thirty days prior to the date of election, file a written statement with the Secretary of the corporation, substantially as follows:

"I..... do hereby declare myself a candidate for director of the Lake of the Woods Mutual Water Company, and request my name be placed on the ballot of said company, for the election to be held (date) April, (Lot).... (address), (Telephone)"

- B. Directors shall take office immediately after election or appointment and shall hold office for one (1) year, or for such a shorter period as they may have been appointed, and until their respective successors shall have been elected.
- C. Immediately after the election of directors at the annual meeting of the stockholders, the directors shall meet for the purpose of organization, the election of officers, and transaction of other business.
- D. Service on the Board of Directors shall be voluntary unless compensation is otherwise fixed by the shareholders.

ARTICLE III

VACANCIES

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

ARTICLE IV

POWER OF DIRECTORS

The Directors shall have power to:

- A. call special meetings of the stockholders when they deem it necessary, and they shall call a meeting at any time, upon written request of 20% of the stockholders;
- B. appoint and remove, at pleasure, all officers, agents, designees and employees of the corporation, prescribe their duties, fix their compensation, and require from them security for faithful performance;
- C. subject to the next succeeding article, to conduct, manage, and control the affairs and business of the corporation, and to make rules and regulations for the guidance of the officers and management of the affairs of the corporation;
- D. incur indebtedness on behalf of the corporation. The terms and amount of indebtedness shall be authorized by the Board of Directors and entered in the minutes of the Board, and the note, mortgages, or obligations given for the same, shall be signed officially by the President and Secretary in accordance with such authorization, and shall be binding on the corporation.

ARTICLE V

LIMITATION OF POWERS OF BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION

Neither the Board of Directors nor any officer of this corporation shall have any power or authority to engage any business in behalf of the corporation, save and excepting only the development of water for the use of its stockholders, the operation, maintenance, repair, and renewal of the domestic water system to be acquired by this corporation, and the distributing, supplying and delivering of water for domestic uses from the wells, and other sources of this corporation by and through said system, to the owners of its capital stock and, except as authorized herein, to no other persons. The entire business carried on by this corporation shall be for the mutual benefit of its stockholders. Any contract or agreement made or entered into by the Board or officers of this corporation other than for the purpose of carrying on the business in this bylaw authorized shall be void.

It shall be the duty of the Directors to:

- A. cause to be kept a complete record of all their minutes and acts, and of the proceedings of the stockholders, and present a full statement at the annual meeting of the stockholders, showing in detail the assets and liabilities of the corporation, and generally the conditions of its affairs. A similar statement shall be presented at any other meeting of the stockholders, when thereto required by persons holding at least one half of the capital stock of the corporation;

- B. supervise all officers, agents and employees and see that their duties are properly performed;
- C. issue or cause to be issued at any time, and from time to time, certificates of stock, in accordance with the laws of the State of California.
- D. Notwithstanding the above, if there is excess water available, water may be sold by the Board of Directors to the state, or any department or agency thereof, to any school district, to any public agency, to any other mutual water company, to any other person as expressly authorized by law, or during any emergency resulting from fire or other disaster involving danger to public health or safety, to any person at the same rates as to holders of shares of the corporations. The corporation may also enter into a contract with a county fire protection district to furnish water to fire hydrants and for fire suppression or fire prevention purposes at a flat rate per hydrant or other connection.

ARTICLE VI

OFFICERS

The officers shall be a President, Vice President/Treasurer and Secretary, the function of Vice President/Treasurer being combined in one office, which officers shall be elected by, and hold office at the pleasure of the Board of Directors. The Board of Directors shall, at their first regular meeting, elect one of their number to act as President, Vice President/Treasurer, and Secretary. If at any time the President shall be unable to act, the Vice President/Treasurer shall take his place and perform his duties, and if the Vice President/Treasurer, from any cause, shall be unable to act, they shall appoint some other member of the Board to do so in whom shall be vested, for the time being, all the duties and functions of his office.

A. PRESIDENT

The President, or in his absence, the Vice President/Treasurer, or in the absence of the President and Vice President/Treasurer, the Director appointed as above provided shall perform the following duties:

- a. shall preside over all meetings of the stockholders and Directors and shall have the casting vote;
- b. sign, as President, all certificates of stock, and all contracts and other instruments of writing which have been first approved by the Board of Directors,
- c. call the Directors together whenever he deems it necessary, and shall have, subject to the control of the Directors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required of him by the bylaws of the corporation.
- d. the President or two of the Directors may call a special meeting of the Directors at any time. Notification shall be given in a manner authorized by law.

B. Vice President/TREASURER

The Board of Directors shall elect a Vice President/Treasurer whose duties or designees shall include:

- a. keep proper account books, and discharge such other duties as pertains to his office and as prescribed by the Board of Directors;
- b. shall receive and keep all the funds of the corporation and pay them out only upon check signed by an authorized Director(s) or designee.

C. SECRETARY

The Board of Directors shall elect a Secretary whose duties or designees duties shall include:

- a. to keep a record of the proceedings of the Board of Directors and of the stockholders;
- b. shall keep the corporate seal of the corporation and the book of blank certificates of stock, fill in and countersign all certificates of stock issued and make the corresponding entries in the margin of such book upon issuance, and he shall affix said corporate seal to all papers requiring a seal or his designate shall do so under his supervision;
- c. keep a proper transfer book, and a stock ledger in debit and credit form, showing the number of shares issued to and transferred by any stockholder, and the dates of such issuance and transfer;
- d. shall serve all notices required by law and the bylaws of the corporation, and in case of his absence, inability, refusal or neglect to act, then such notices may be served by any person thereunto directed by the President or Vice President of the corporation.

D. REMOVAL OF DIRECTOR(S)

- a. The Board may declare a vacancy for a seat of a director convicted of a felony or declared of unsound mind by court order;
- b. A director may be removed without cause by a vote of the outstanding shares of the corporation, as authorized by law;
- c. A director may be removed for cause by court order in a suit initiated by at least ten percent of the outstanding shares of the corporation;
- d. Vacancies on the Board of Directors may be filled by the remaining directors, or if

the board of directors does not fill a vacancy, by a vote of the outstanding shares, as authorized by law.

ARTICLE VII

BOOKS AND PAPERS

The books and such papers as may be placed on file by the vote of the stockholders or directors shall at all times in business hours be subject to the inspection of the Board of Directors and of any stockholder.

ARTICLE VIII

CERTIFICATES OF STOCK

Certificates of stock shall be in such form and device as the Board of Directors may order, and each certificate shall be signed by the President and countersigned by the Secretary, and have impressed thereon the corporate seal of the corporation, and express on its face its number, date of issuance, the number of shares for which and the person to whom it is issued, and the lands to which said shares are appurtenant shall be described therein, or endorsed thereon, and a recital shall be included therein, or endorsed thereon, that such shares are appurtenant to the lands therein described.

ARTICLE VIX

CAPITAL STOCK

- A. No shares of stock of this corporation shall be issued, nor shall certificates for shares be transferred, to any person other than an owner of lands included in or a part of the boundaries of Lake of the Woods subdivision or the sphere of influence of the Lake of the Woods Mutual Water Company;
- B. Said shares of stock shall be issued on the basis of fifty shares of stock for each lot in said subdivision;
- C. All shares of stock shall be appurtenant to the land described in the certificate issued therefor, and shall only be transferred with said land, and shall pass as an appurtenance thereto;
- D. The Board of Directors may reject any application for stock where the issuance of said stock will subject the company to an expense for labor and material in an amount greater than the price of said stock;
- E. No transfer of stock shall be valid until the surrender of the certificates and the entry of such transfer on the books of the corporation. Whenever shares of stock are transferred, the party to whom the same shall be so transferred must produce his deed to the property, upon which said shares are appurtenant, to the secretary of the corporation or

their designee, and present such proof as may be required by the Board of Directors, that he is the owner of the land described in such certificate before such transfer shall be entered upon the books of the corporation, and at the same time said purchaser of such land and water stock shall sign and assent to the bylaws of this corporation.

ARTICLE X

ASSESSMENTS

- A. Assessments may be made by the Board of Directors on the shares outstanding to pay all costs and expenses for maintaining, repairing, replacing and enlarging the water system or systems owned by the corporation. Any assessment in excess of fifty (50) cents per share made in any one year must be approved by a majority of stockholders;
- B. Any assessment so made may be enforced by suit/lien in the name of the corporation against delinquent stockholders, and at the option of the Board of Directors, water may be shut off and withheld from any delinquent stockholder who is delinquent in an assessment or who is indebted to the corporation on any account whatsoever, until such assessment or debt has been paid in full.
- C. The Board of Directors may reject any application for Stock where the issuance of said stock is restricted by law or will subject the company to an expense for labor and material in an amount greater than the price of said Stock.

ARTICLE XI

MEETINGS OF STOCKHOLDERS AND DIRECTORS

- A. The annual meeting of the stockholders shall be held on the third Saturday of April, unless it conflicts with a holiday, within the Frazier Park region at a time set by the Board of Directors or at the call of the President.
- B. A minimum of 20% of stockholders must be present in person or by proxy in order to constitute a quorum at any regular or special stockholder's meeting.
- C. If no quorum be present at any meeting whatsoever of the stockholders or of the directors, whether regular, special, or adjourned, such meeting may be adjourned by those present and rescheduled.
- D. Regular monthly meetings of the Board of Directors shall be held at a time and date and location within the Frazier Park region as set by the Board of Directors.

ARTICLE XII

VOTING

At all stockholders' meetings, any stockholder may be represented by his agent holding a proxy in writing, properly executed by such stockholder, authorizing such agent to act as such, and

filed with the secretary. At all stockholders' meetings, each stockholder shall be entitled to one vote per share.

ARTICLE XIII

Except as provided by law, the Articles of Incorporation, or these Bylaws, the Bylaws may be adopted, amended, or repealed by the Board of Directors other than a Bylaw or Amendment changing the authorized number of Directors. The powers hereby delegated to the Directors may be revoked by the vote of a majority of the stockholders of the corporation.

ARTICLE XIV

SEAL

The corporation shall have a corporate seal consisting of a circle, having on its circumference the words, "LAKE OF THE WOODS MUTUAL WATER CO.", and the date of its incorporation.

The above are the Amended Bylaws approved by the shareholders on _____ and adopted by the Board of Directors on _____.

Joan Kotnik, President

Stan Eisman, Vice President

Mary Dreier, Secretary

Patricia Hampton, Director

Michael Green, Director

BYLAWS

of the

LAKE OF THE WOODS MUTUAL WATER COMPANY

ARTICLE I

The corporate powers of this corporation shall be vested in a Board of Directors of five, who shall be stockholders, holding one or more shares of stock in their own names on the books of the corporation, and three shall constitute a quorum for the transaction of business.

ARTICLE II

ELECTION AND COMPENSATION OF DIRECTORS

Section 1. The Board of Directors shall be elected by ballot at the annual meeting of stockholders, or at a stockholders' meeting duly called for the purpose. Any stockholder desiring to become a candidate for director shall, thirty days prior to the date of election, file a written statement with the Secretary of the corporation, substantially as follows:

"I, do hereby declare myself a candidate for director of the Lake of the Woods Mutual Water Company, and request my name be placed on the ballot of said company, for the election to be held June, 19 ...

.....
.....
Address

Section 2. A candidate for director who has not filed his declaration of candidacy in accordance with Section One of this article may be elected director only if he receives a vote equal to twenty percent (20%) of the vote of the corporation, and provided such vote constitutes a plurality over the vote received by the other candidates at such election.

Section 3. Directors shall take office immediately after election or appointment and shall hold office for one (1) year, or for such shorter period as they may have been appointed, and until their respective successors shall have been elected.

Section 4. Immediately after the election of directors at the annual meeting of the stockholders, the directors shall meet for the purpose of organization, the election of officers, and transaction of other business.

Section 5. The compensation of the directors shall be fixed by the stockholders.

ARTICLE III

VACANCIES

Vacancies in the Board of Directors shall be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so appointed shall hold office until his

successor is elected at an annual or special meeting of the stockholders.

ARTICLE IV

POWER OF DIRECTORS

The Directors shall have power:

First, to call special meetings of the stockholders when they deem it necessary, and they shall call a meeting at any time, upon written request of 51% of the stockholders;

Second, to appoint and remove, at pleasure, all officers, agents and employees of the corporation, prescribe their duties, fix their compensation, and require from them security for faithful performance;

Third, subject to the next succeeding article, to conduct, manage, and control the affairs and business of the corporation, and to make rules and regulations for the guidance of the officers and management of the affairs of the corporation;

Fourth, to incur indebtedness in an amount not to exceed twenty-five percent (25%) of the capitalization of the corporation without the approval of the stockholders at an annual or duly called meeting. The terms and amount of indebtedness shall be authorized by the Board of Directors and entered in the minutes of the Board, and the note, mortgages, or obligations given for same, shall be signed officially by the President and Secretary in accordance with such authorization, and shall be binding on the corporation.

ARTICLE V

LIMITATION OF POWERS OF BOARD OF DIRECTORS AND OFFICERS OF THE CORPORATION

Neither the Board of Directors nor any officer of this corporation shall have any power or authority to engage any business in behalf of the corporation save and excepting only the development of water for the use of its stockholders, the operation, maintenance, repair and renewal of the domestic water system to be acquired by this corporation, and the distributing, supplying and delivering of water for domestic uses from the wells, and other sources of this corporation by and through said system, to the owners of its capital stock and to no other persons, and the entire business carried on by this corporation shall be for the mutual benefit of its stockholders. Any contract or agreement made or entered into by said Board or officers of this corporation other than for the purpose of carrying on the business in this bylaw authorized shall be void.

ARTICLE VI

It shall be the duty of the Directors:

First, to cause to be kept a complete record of all their minutes and acts, and of the proceedings of the stockholders, and present a full statement at the annual meeting of the stockholders, showing in detail the assets and liabilities of the corporation, and generally the conditions of its affairs. A similar statement shall be presented at any other meeting of the stockholders, when thereto required by persons holding at least one-half of the capital stock of the corporation;

Second, to supervise all officers, agents and employees and see that their duties are properly performed;

Third, to issue or cause to be issued at any time, and from time to time, certificates of stock, in accordance with the laws of the State of California.

ARTICLE VII

OFFICERS

The officers shall be a President, Vice President and Secretary and Treasurer, the function of Secretary and Treasurer being combined in one office, which officers shall be elected by, and hold office at the pleasure of the Board of Directors. The compensation and tenure of all the officers shall be fixed and determined by the Board of Directors.

ARTICLE VIII

PRESIDENT

The Board of Directors shall, at their first regular meeting, elect one of their number to act as President, and if at any time the President shall be unable to act, the Vice President shall take his place and perform his duties, and if the Vice President, from any cause, shall be unable to act, they shall appoint some other member of the Board to do so in whom shall be vested, for the time being, all the duties and functions of his office. The President, or in his absence, the Vice President, or in the absence of the President and Vice President, the Director appointed as above provided:

First, President shall preside over all meetings of the stockholders and Directors and shall have the casting vote.

Second, he shall sign, as President, all certificates of stock, and all contracts and other instruments of writing which have been first approved by the Board of Directors, and shall sign checks drawn upon the Treasurer.

Third, he shall call the Directors together whenever he deems it necessary, and shall have, subject to the control of the Directors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required of him by the bylaws of the corporation.

Fourth, the President or two of the Directors may call special meeting of the Directors at any time, and twenty-four hours' notice shall be given of such called meetings by leaving a written or printed notice of such meetings at the last known place of residence of each Director, or by depositing the same in the post office at Bakersfield, addressed to such last known place of residence, with postage prepaid thereon. Service of Notice shall be deemed to be complete when the notice has been left or mailed as herein provided. Such Service of Notice shall be entered on the minutes of the corporation and the said minutes upon being read and approved at a subsequent meeting of the Board, shall be conclusive upon the question of service.

ARTICLE IX

SECRETARY AND TREASURER

The Board of Directors shall elect a Secretary and Treasurer.

First, it shall be the duty of the Secretary and Treasurer to keep a record of the proceedings of the Board of Directors and of the stockholders.

Second, he shall keep the corporate seal of the corporation and the book of blank certificates of stock, fill in and countersign all certificates of stock issued and make the corresponding entries in the margin of such book upon issuance, and he shall affix said corporate seal to all papers requiring a seal.

Third, he shall keep a proper transfer book, and a stock ledger in debit and credit form, showing the number of shares issued to and transferred by any stockholder, and the dates of such issuance and transfer.

Fourth, he shall keep proper account books, countersign all checks drawn upon the Treasurer, and discharge such other duties as pertain to his office and as prescribed by the Board of Directors.

Fifth, the Secretary and Treasurer shall serve all notices required by law and the bylaws of the corporation, and in case of his absence, inability, refusal or neglect to act, then such notices may be served by any person thereunto directed by the President or Vice President of the corporation.

Sixth, the Secretary and Treasurer shall receive and keep all the funds of the corporation and pay them out only upon check of the President countersigned by himself as Secretary and Treasurer.

ARTICLE X

BOOKS AND PAPERS

The books and such papers as may be placed on file by the vote of the stockholders or directors shall at all times in business hours be subject to the inspection of the Board of Directors and of any stockholder.

ARTICLE XI

CERTIFICATES OF STOCK

Certificates of stock shall be in such form and device as the Board of Directors may order, and each certificate shall be signed by the President and countersigned by the Secretary, and have impressed thereon the corporate seal of the corporation, and express on its face its number, date of issuance, the number of shares for which and the person to whom it is issued, and the lands to which said shares are appurtenant shall be described therein, or endorsed thereon, and a recital shall be included therein, or endorsed thereon, that such shares are appurtenant to the lands therein described.

ARTICLE XII

CAPITAL STOCK

No shares of stock of this corporation shall be issued, nor shall certificates for shares be transferred, to any person other than an owner of lands included in or a part of the following described tract of land, to wit:

All of the Lots contained in that certain subdivision in the County of Kern, State of California, known as "Lake of the Woods" as per map recorded February 27, 1926 in Book 3, Page 137 et seq. of Maps in the office of the County Recorder of said County; together with that certain unmapped area surrounded and encompassed by said subdivision and designated on said map: "Not a part of this subdivision."

Said shares of stock shall be issued on the basis of one share of stock for each front foot or fraction thereof, provided that where the frontage has a depth in excess of 150 feet, additional shares of stock shall be purchased by the owner of said frontage at the rate of 6 and 2/3 mills for each square foot or fraction thereof in excess of 150 feet depth.

Frontage and depth shall be determined by reference to the map or plat filed for record in the County Recorder's office.

All shares of stock shall be appurtenant to the land described in the certificate issued therefor, and shall only be transferred with said land, and shall pass as an appurtenance thereto.

ARTICLE XIII

The Board of Directors may reject any application for stock where the issuance of said stock will subject the company to an expense for labor and material in an amount greater than the price of said stock.

ARTICLE XIV

Assessments may be made by the Board of Directors of the corporation, on the shares outstanding, to pay all costs and expenses for maintaining, repairing, replacing and enlarging the water system or systems owned by the corporation.

ARTICLE XV

Any assessment so made may be enforced by suit in the name of the corporation against delinquent stockholders, and at the option of the Board of Directors water may be shut off and withheld from any delinquent stockholder who is delinquent in assessment or who is indebted to the corporation on any account whatsoever, until such assessment or debt has been paid in full.

ARTICLE XVI

TRANSFER OF STOCK

No transfer of stock shall be valid until the surrender of the certificates and the entry of such transfer on the books of the corporation. Whenever shares of stock are transferred, the party to whom the same shall be so transferred must produce his deed to the property, upon which said shares are appurtenant, to the secretary of the corporation, and present such proof as may be required by the Board of Directors, that he is the owner of the land described in such certificate before such transfer shall be entered upon the books of the corporation, and at the same time said purchaser of such land and water stock shall sign and assent to the by-laws of this corporation.

ARTICLE XVII

MEETINGS OF STOCKHOLDERS AND DIRECTORS

The annual meeting of the stockholders shall be held at the office of the corporation at 404 Habermel Building, Bakersfield, Kern County, California, commencing at 7:30 p.m., on the first Monday of June each year.

Regular meetings of the Board of Directors shall be held at the office of the corporation at 404 Habermel Building, Bakersfield, Kern County, California, at 7:30 p.m. on the second Thursday of each and every month.

All notices of regular meetings of the stockholders and of the Board of Directors is hereby dispensed with.

ARTICLE XVIII

The number of shares represented at any regular annual stockholders' meeting shall constitute a quorum, whether the stockholders are present in person or by proxy.

If no quorum be present at any meeting whatsoever of the stockholders or of the directors, whether regular, special, or adjourned, such meeting may be adjourned by those present from day to day, or from time to time, until a quorum shall be obtained, such adjournment and the reasons therefor being recorded in the minutes.

ARTICLE XIX

VOTING

At all stockholders' meetings, any stockholder may be represented by his agent holding a proxy in writing, properly executed by such stockholder, authorizing such agent to act as such, and filed with the secretary. At all stockholders' meetings, each stockholder shall be entitled to one vote regardless of the number of shares owned by him.

ARTICLE XX

These bylaws, or any of them, except as herein provided, may be repealed or amended, or new or additional bylaws may be adopted, by the Board of Directors; and full power and authority are hereby delegated to the Board of Directors from time to time to repeal and amend said bylaws, and to adopt new or additional bylaws. Provided, however, that the bylaws relating to manner of election and compensation of the Board of Directors, and the date of the annual meeting, shall only be amended by vote of the stockholders. The powers hereby delegated to the Directors may be revoked by the vote of a majority of the stockholders of the corporation.

ARTICLE XXI

SEAL

The corporation shall have a corporate seal consisting of a circle, having on its circumference the words, "LAKE OF THE WOODS MUTUAL WATER CO.", and the date of its incorporation.

ARTICLE XXII

WATER REGULATIONS

A superintendent shall be appointed by the Board of Directors, and shall be removable at their pleasure. It shall be his duty:

First: To take charge of all of the operating property of said corporation, and to control all labor, and distribution of water, but at all times subject to the control of the President and Board of Directors, and to the rules and regulations herein contained.

Second: He shall be responsible to the corporation for all such property, and shall make returns at the end of each month to the Secretary of all persons hired or employed by him, and a statement of all expenditures in the carrying out of his duties in the operating and maintenance of the system of the corporation under his care, together with a statement of the condition of the whole property.

Third: He shall make requisition on the Board of Directors for all necessary supplies, stating the object for which they are needed, but he shall have no power to incur any indebtedness unless so specifically authorized by the President or the Board of Directors.

Fourth: He shall perform any and all duties required by the President or Board of Directors.

ARTICLE XXIII

RULES

First: Water produced by the corporation shall be deemed to be the amount of water which the pumping plants of the corporation in operating deliver continuously at the surface and into the pipe lines or

conduits of the corporation for actual use of the stockholders.

Second: Water may be accumulated or stored for the benefit of stockholders, and to facilitate distribution.

Third: Water shall be charged for at the rate fixed by the Board of Directors from time to time. The Board may make special rates for water for different purposes for which it may be used.

Fourth: All water furnished by the company to its stockholders shall be used exclusively on the land described in the Certificate of Stock appurtenant to said land; provided, where the stock is not fully paid, only such frontage shall be entitled to service as equals the amount paid on said stock.

Fifth: Any violation of these bylaws by a stockholder shall subject said stockholder to a discontinuance of service by the company until such stockholder shall pay to the company a sum not to exceed One Hundred Dollars (\$100.00) for such violation; provided, the Board of Directors may in its discretion waive all or any part of such payment.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being all of the directors of the foregoing corporation, LAKE OF THE WOODS MUTUAL WATER CO., do hereby assent to the foregoing bylaws and adopt the same as the bylaws of this corporation..

IN WITNESS WHERE OF, we have hereunto subscribed our names this 25th day of June, 1947.

HENRY C. MACK
DOMINIC BIANCO

KAY POFF
FLORENCE L. CUDDY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being the directors and secretary of the corporation known as LAKE OF THE WOODS MUTUAL WATER CO., do hereby certify that the above and foregoing bylaws of said corporation were duly adopted as the bylaws thereof on the 25th day of June, 1947, and that the same do now constitute the bylaws of said corporation.

HENRY C. MACK
DOMINIC BIANCO

KAY POFF
FLORENCE L. CUDDY

AMENDMENTS

Special meeting of Board of Directors of Lake of the Woods Mutual Water Co. August 14, 1954.

That paragraph of Article XII which originally stands as follows: "Said shares of stock shall be issued on the basis of one share of stock for each front foot or fraction thereof, provided that where the frontage has a depth in excess of 150 feet, additional shares of stock shall be purchased by the owner of said frontage at the rate of 6 and 2/3 mills for each square foot or fraction thereof in excess of 150 feet depth." shall be changed to stand as follows:

Said shares of stock shall be issued on the basis of fifty shares of stock for each lot in said subdivision.

Joyce M. Tifft, Secretary

AMENDMENTS TO THE BYLAWS OF LAKE OF THE WOODS MUTUAL WATER COMPANY

Passed at a special meeting of the Board of Directors, March 25, 1972.

1. Add to Article V----Limitation of Powers of Board of Directors and Officers of the Corporation:

Notwithstanding the above, if there is excess water available, water may be sold by the Board of Directors for purposes of emergency or fire use by governmental agencies or for public Construction purposes.

2. Article V111---- President:

Change work "Bakersfield" in fourth line of fifth paragraph to "Frazier Park".

3. Add to Article X1V

Any assessment in excess of fifty (50) cents per share made in any one year must be approved by A majority of stockholders present or by proxy at a regular or special stockholder's meeting.

4. Article XV11---- Meeting of Stockholders and Directors:

- a. Change first paragraph to read:

The annual meeting of the stockholders shall be held at Cuddy Hall, Lake of the Woods, California, commencing at 7:30 PM on the third Saturday of April or at the call of the President.

- b. Change second paragraph to read:

Regular meetings of the Board of Directors shall be held at Cuddy Hall, Lake of the Woods, California at 7:30 PM on the third Saturday of each and every month or at the call of the President.

5. Article XV111

Change first paragraph to read:

A majority of stockholders must be present in person or by proxy in order to constitute a quorum at Any regular or special stockholder's meeting.

6. Article XX

Change second sentence to read:

Provided, however, that any changes in the bylaws must be approved by a majority of the Stockholders (one vote per stockholder regardless of shares owned) present, or by proxy, at a Regular or special meeting of the stockholders.

Passed at Annual Meeting held June, 28, 1980.

Article XV111 paragraph 1 and Paragraph 5 of Amendments to the Bylaws dated March 25, 1972, and article 1V paragraph 1 and all other references to a majority of stockholders being 51%. These shall be amended to read 25% of the stockholders.

7. Article XVIII

Change first and fifth paragraph to read:

1 and Paragraph 5 of Amendments to the Bylaws dated June 28, 1980, and Article IV paragraph 1 and all other references to a majority of stockholder being 25%. These shall be amended to read 10% of the stockholders.

8. Article XV

Change first paragraph to read:

Any assessment so made by be enforced by suit/lien in the name of the corporation against delinquent stockholders, and at the option of the Board of Directors water may be shut off and withheld from any delinquent stockholder who is delinquent in assessment or who is indebted to the corporation on any account whatsoever, until such assessment or debt has been paid in full.