

Articles of Incorporation

- AND -

B Y - L A W S

(Most recently amended to August 12, 2015)

of the

Covina Irrigating Company

**(Formerly known as Azusa Water Development
and Irrigation Company)**

AND THE

Compromise Agreement

Signed January 26, 1889

**Recorded November 2, 1889,
Book 607, Pg. 138 Deeds
Los Angeles County**

Restated
Articles of Incorporation
- of -
Covina Irrigating Company

First: The name of this Corporation shall be COVINA IRRIGATING COMPANY (formerly known as Azusa Water Development and Irrigation Company):

Second: The Corporation's only purpose shall be to develop, distribute, supply or deliver water for irrigation and domestic uses to or for the benefit of its shareholders, at cost plus necessary expenses, in proportion to the number of shares of stock held by them respectively.

In carrying out said purpose; it shall have no obligation to construct any delivery facilities nor to deliver any water, for whatever purpose, to share holders or their designees, outside the area or territory described as follows, to wit:

BEGINNING at a point on the main "Covina Cement Ditch" at the intersection of said "Covina Ditch" with North Citrus Avenue or the extension thereof, thence following the line of said "Covina Ditch," in a southeasterly direction to its intersection with Dawson Avenue; thence east along the center line of Dawson Avenue to the center line of Glendora Avenue in Rancho Addition to San Jose; thence south following the center line of Glendora Avenue to the center line of Gladstone Avenue; thence west on the center line of Gladstone Avenue to its intersection with the said "Covina Ditch"; thence along said "Covina Ditch" in a southeasterly direction to its intersection with the Covina San Jose pipe line just south of Juanita Avenue; thence southeasterly following the Covina San Jose pipe line to its intersection with the center line of Banna Street; thence southerly along the center line of Banna Street to the northerly line of Lot 3, Block 3, Hollenbeck Ranch Partition; thence easterly along said northerly line of Lot 3, Block 3, to the easterly line of said lot; thence southerly along said easterly line of said Lot 3, Block 3, to the center of Badillo Avenue; thence easterly following the center line of Badillo Avenue to the east line of Lot 7, Block 2, of the Hollenbeck Ranch Partition Tract, in the Rancho La Puente; thence southerly along said easterly line of Lot 7, Block 2, to the southeast corner of said Lot 7 thence 20 feet west from the southeast corner of Lot 7, Block 2, to the southeast corner of said Lot 7; thence 20 feet west from the southeast corner of Lot 7, Block 2; thence south 310 20' West, 250.39 feet; thence following the eastern boundary line of the "Masonic Homes for Children" properties on a curve concave to the south 332.7 feet; thence on a curve concave to the west 66.98 feet; thence south 74.2 feet to the north line of Puente Street; thence south across Puente Street to the northeasterly corner of Lot 4, Block 1, Shouse and Chapman Tract, Rancho La Puente; thence southerly along the easterly line of said Lot 4, Block 1, Shouse and Chapman Tract to its intersection with the northeast boundary line of Lots 3 and 5 of the Chaffey Tract; thence following along said northeasterly boundary of the Chaffey Tract to the point farthest east in said Lot 5 of the said Chaffey Tract; thence in a southerly and southwesterly direction following the easterly boundary line of said Lot 5 of the said Chaffey Tract to its intersection with the center line of a road known as the "Pomona and Covina Road", also known as Covina Hills Road; thence northwesterly and westerly along the center line of said "Pomona and Covina Road" to its intersection with the east line, or the northerly prolongation thereof, of Lot 21, McCarthy Co.'s subdivision of Block 1, Hollenbeck Tract, in the Rancho La Puente; thence south along said easterly line of Lot 21 to its intersection with the southerly line of said Lot 2 1; thence westerly along said southerly line of said Lots 21, 20, 19, 18, Block 1, McCarthy Co.'s subdivision and the southerly line of Lot 8, Block 25, Phillips Tract, Rancho La Puente, to its intersection with the easterly line of Lot 11 of Tract No. 2371; thence southerly along said east line of Lot 11 and Lot 12, Tract No. 23 7 1, to its intersection with the center line of Virginia Avenue; thence Westerly and Northwesterly along the center line of Virginia Avenue until it intersects with Barranca Avenue; thence northerly along the center line of Barranca Avenue

to its intersection with Walnut Creek Wash; thence along and following the center line of the stream bed of the said Walnut Creek Wash in a southwesterly direction until said Walnut Creek Wash intersects with the center line of Glendora Avenue, Rancho La Puente; thence along the center line of Glendora Avenue in a northeasterly direction to its intersection with the center line of Arroyo Avenue, also known as the San Bernardino Freeway; thence northerly across Arroyo Avenue to the southwest corner of Block 30, Phillips Tract; thence northerly following the westerly boundary lines, or prolongation thereof, of Lot 7 and Lot 2, Block 30; Lot 7 and Lot 2, Block 19; Lot 7 and Lot 2, Block 18; Lot 7 and Lot 1, Block 7; and Lot 1, Block 6, all of the Phillips Tract, Rancho La Puente, to their intersection with Covina Boulevard, sometimes known as San Bernardino Road; thence easterly following the center line of San Bernardino Road to its intersection with the center line of Azusa Avenue; thence along the center line of Azusa Avenue in a northerly direction to its intersection with the south line of the branch line of the Southern Pacific Railroad tracks; thence along said southerly line of the said Southern Pacific Railroad tracks in an easterly direction until it intersects with the southerly prolongation of the westerly line of the N.E. 1/2 of the W. 1/2 of the southeast 1/4 of the southeast 1/4 of Sec. 11, Township I South, Range 10 West; thence along said westerly line in a northerly direction to its intersection with the center line of Cypress Avenue; thence along the center line of Cypress Avenue in a westerly direction to its intersection with Azusa Avenue; thence northerly along the center line of Azusa Avenue until it would intersect with the easterly prolongation of the southerly line of the northeast 1/4 of the southeast 1/4 of Section 10; thence following the southerly and westerly boundary lines of the said northeast 1/4 of the southeast 1/4 of Section 10 to the northwest corner of said property; thence along the northerly line of said property and its prolongation in an easterly direction until it intersects with the center of Citrus Avenue at Section Center Avenue, now known as New Covina Boulevard, thence north along the center line of Citrus Avenue to the center line of Bonita Avenue, also known as Arrow Highway; thence along the center line of Bonita Avenue to the center line of Cerritos Avenue; thence northerly along the center line of Cerritos Avenue to the northwest corner of the west 1/2 of the southwest 1/4 of the southwest 1/4 of Section 2, Township I South, Range 10 West, S.B.B. & M.; thence easterly along said north line of the said property to the southwest corner of the northeast 1/4 of the southwest 1/4 of the southeast 1/4 of said Section 2; thence north along said westerly boundary line of said property to the northwest corner of said property; thence east along the north line of said property and its prolongation to an intersection with the center line of Citrus Avenue; thence south along the center line of Citrus Avenue to the center line of Bonita Avenue; thence east along the center line of Bonita Avenue to its intersection with Ben Lomond Avenue and the main "Azusa Ditch"; thence following the said "Azusa Ditch" in a northerly and northwesterly direction until it intersects with the center line of Citrus Avenue; thence north along the center line of Citrus Avenue to the said "Covina Ditch," the point of beginning; all in the County of Los Angeles, State of California; and said company shall not be required to furnish water to any stockholder from any of its ditches, pipe lines or conduits outside of the said area; PROVIDED, that wheresoever any stockholder shall have heretofore been receiving and using water from this Company upon lands outside of said area, such stock may continue to receive and use such water on the same lands in the future.

The boundaries of and the property to be included within said area may be changed at any annual shareholders' meeting or special shareholders' meeting called for that purpose.

Third: Unless and until changed by the By-Laws, as hereinafter provided, the number of directors shall be Nine (9); and authority is hereby conferred upon and reserved to the shareholders to adopt, repeal and amend the By-Laws, wherein and whereby the number of directors of the Corporation at any time shall be as fixed and provided in the By-Laws then in force, and such number may be changed from time to time by a By-Law adopted by the shareholders as other By-Laws are adopted.

Fourth: The corporation is authorized to issue 10,000 shares of capital stock, all of one class, of the par value of \$40.00, to be designated "Common Stock."

Fifth: The Board of Directors may, in its discretion, levy and collect assessments upon all issued shares of the corporation. Such assessments shall be a lien upon the shares assessed from the time of the levy. The levies of assessments and assessments shall be in conformity with Corporations Code Section 423. In the event of non-payment of any assessment, the Corporation may sell or forfeit the shares against which the assessment was levied, in the manner now, or as may be hereafter provided by the laws of the State of California. The Board of Directors may levy and collect from the shareholders water tolls and charges, and withhold delivery of water while any such tolls or charges are delinquent; and make such tolls and charges a lien against the shares; and withhold transfer of any shares while subject to the lien of any unpaid tolls, assessments or charges. The Board of Directors may adopt, repeal, modify, from time to time change, and enforce all rules and regulations which it may deem advisable for carrying out any and/or all of the foregoing purposes and powers, including the right to provide and determine when, where and in what manner delivery of water is to be made, and also the right to provide for and enforce the imposition of penalties for violation of such rules and regulations, as well as to discontinue the delivery of water for such violation or for failure to pay any charges, tolls or assessments.

The foregoing purposes and powers are subject to the express limitation and condition that the Corporation shall carry on its business without the distribution of any gains, profits or dividends to its shareholders except upon dissolution.

Sixth: Notwithstanding any other provisions in these Articles, fifty percent (50%) 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.

By-Laws

**Of
Covina Irrigating Company**

**ARTICLE I
California General Corporation Law Applicable**

The term "General Corporation Law" is used in these By-Laws with the same meaning as defined in Section 100 of the Corporations Code of the State of California; and words, phrases and terms are used in these By-Laws with the same meaning as used or defined in the General Corporation Law.

**ARTICLE II
By-Law Amendments**

These By-Laws may be repealed or amended or new By-Laws adopted by (a) the vote of a majority of a quorum of shareholders, represented in person or by proxy, at a shareholders' meeting, at which such meeting fifty percent (50%) of the issued shares of the Company shall constitute a quorum, or, (b) the written assent of shareholders entitled to exercise a majority of the voting power, filed with the Secretary; or (c) by a two-thirds (2/3) vote of the Board of Directors.

2. AMENDMENT BY DIRECTORS. Subject to the rights of the shareholders to adopt, amend or repeal Bylaws as provided in Section 1 of this Article II, Bylaws, other than a Bylaws amendment changing the authorized number of directors, may be adopted, amended or repealed by the board of directors.

**ARTICLE III
Meetings of Shareholders**

Section 1. Provisions of the General Corporation Law Applicable. Except in those particulars and to the extent hereinafter expressly provided for, all of the provisions (whether mandatory or permissive) of the General Corporation Law of the State of California, as now or hereafter existing, are approved, adopted, and made applicable to the Company; and whenever no express provision is contained herein with respect to any matter authorized to be regulated, fixed, or established by or in the By-Laws, it is intended to adopt and approve the statutory provisions pertaining thereto and regulating or providing for the same.

Section 2. Annual Meeting. A meeting of shareholders to be known as the "annual meeting," shall be held each year on a day and time to be determined by board action. The vote of a majority of the shares represented at the meeting, in person or by proxy, shall be the act of the shareholders.¹

Section 3. Special Meetings. Special meetings of the shareholders, for any purpose whatever, may be held at any time upon call, which shall be made by the Chairman, or by the Board of Directors, by resolution adopted by majority vote, or by the written assent of a majority of all the acting directors filed with the Secretary, or by one or more shareholders holding not less than one-tenth of the voting power of the Company.

Section 4. Place of Meetings. Unless some other place shall be appointed in any instance or instances, as hereinafter provided, meetings of shareholders, both annual and special, shall be held at the principal office of the Company.

Authority is hereby conferred upon the Board of Directors, by resolution adopted by majority vote of all its members, or by written assent of a majority of such members, filed with the Secretary, to fix or designate (and from time to time change) the place for any shareholders' meeting, or meetings, one, or more, or all, whether annual or special. Any place so designated shall be within the County where the principal office is situated, and in such instance said meeting, or meetings, shall be held at the place so fixed or designated.

Section 5. Notice of Meeting. Written notice of each meeting of shareholders, whether annual or special, shall be given to each shareholder entitled to notice, not more than sixty (60) days, nor less than ten (10) days, before the meeting, in any of the following ways:

First: By delivering such notice personally; or,

Second: By mailing such notice, charges prepaid, addressed to such shareholder at his address appearing on the books of the Company. If no address appears on the books of the Company, then the notice shall be addressed to the shareholder at the place where the principal office of the Company is situated.

Section 6. Form of Notice and Statement of Purpose. Notice of the meeting shall specify the place, the day and the hour of the meeting, In the case of special meetings, the general nature of the business to be transacted shall be stated in the notice, but in the case of the annual meeting need not be stated; provided, however, the provisions of Section 601 of the Corporations Code requiring notice to the shareholders of special proposals to be submitted at a meeting, whether annual or special, shall always be observed.

Section 7. Shareholders Entitled to Notice. All notices of any meeting shall be mailed on the same day and at the same time. Where notice of any shareholders' meeting is to be mailed, notice shall be given to those who appear from the stock records as record holders at 12 o'clock, Noon, on the day immediately preceding the day of mailing; and 12 o'clock Noon on the day immediately preceding the day of mailing is the record date and time for the determination of shareholders entitled to notice of the meeting.

Section 8. Proxies. Every shareholder entitled to vote or execute consents or assents shall have the right to do so either in person by an agent or agents authorized by written proxy executed by the shareholder, or by the duly authorized agent of such shareholder, filed with the Secretary of the Company on or before the date of the meeting for which such proxy is being submitted. Proxy blanks shall be sent to each shareholder along with notice of meeting. All proxies which appoint the Secretary or Assistant Secretary of the Company as the holder thereof shall be used for quorum purposes only, unless the maker of such proxy shall in writing instruct otherwise; in which event it shall be voted by the Secretary or Assistant Secretary in accordance with such written instructions, and this provision as to the Secretary voting proxies shall be noted on the blank proxies sent to the shareholders.

Section 9. Shareholders Entitled to Vote. 12 o'clock Noon on the day next preceding the day first appointed for a shareholders' meeting is hereby fixed as the time for the close of the stock books and the determination of those entitled to vote at the meeting, and, subject to the provisions of law, only persons in whose names and the shares stand on the stock records of the Company, at the close of stock books, as aforesaid, shall be entitled to vote at that meeting, or any adjournment thereof.

No transfer of shares shall be made on the stock records of the Company during the period elapsing between said close of stock books and adjournment of the meeting on the day first appointed therefor. If a

meeting be adjourned to a subsequent date, the stock books shall open upon adjournment so as to permit transfer, but not so as to affect the right of voting, determined as above provided.

Section 10. Business to Be Transacted. At the annual meeting, directors to the number authorized shall be elected, reports of the affairs of the company shall be considered, and any other business may be transacted which is within the powers of the shareholders, including the amendment, repeal and adoption of By-Laws, the approval and ratification of amendments of the Articles of Incorporation, and action upon or with respect to any or all questions and matters requiring the vote, consent or approval of the shareholders, or with respect to which the shareholders are permitted to act, subject, however, to the provisions of Section 601 of the Corporations Code, requiring notice to the shareholders of special proposals. At a special meeting, any business may be transacted of the general nature specified in the notice thereof, but not otherwise.

Section 11. Manner of Voting at Shareholders' Meetings. At meetings of shareholders, all questions, other than an election of directors, or except as otherwise expressly provided by statute, or by these By-Laws, shall be determined by majority vote of the shares represented at the meeting, and all voting shall be viva voce, unless a majority in voting power of the shares represented shall demand a vote by written ballot

Section 12. Election of Directors and Cumulative Voting. In an election of directors, the entire number to be elected shall be elected at the same time and upon a single vote or ballot, and directors shall not be elected separately or in any number less than the entire number to be elected.

At such election cumulative voting shall obtain, and a shareholder shall have a number of votes equal to the number of shares held by him multiplied by the number to be elected, and may cast all of his votes in favor of one or more candidates not exceeding the number to be elected.

If there has been nominated for the office of director more than the number to be elected, or upon the demand of any shareholder represented at the meeting, or if voting by mail has been provided for, the election shall be by written ballot, otherwise, it shall be viva voce.

Section 13. Directors Elected at Special Meeting. Whenever, for any reason, no election of directors has been had for more than one year a Board of Directors may be elected at a special meeting of the shareholders called for that (in addition to any other) purpose, by the person or persons, in the manner and upon the notice in these By-Laws provided for calling and noticing special meetings of shareholders.

The terms of directors elected at a special meeting shall expire at the same time as though they had been elected at the annual meeting next preceding such special meeting.

Section 14. Inspectors of Elections. Inspectors or an Inspector, of Elections may be appointed and shall have and exercise the powers and authority provided by provisions of law and these By-Laws.

Section 15. Quorum of Shareholders. The presence in person or by proxy of the holders of fifty percent (50%) of the shares entitled to vote at any meeting shall constitute a quorum for the transaction of business including the election of directors; provided, if at any time a larger percentage shall be required by law to constitute a quorum, then a quorum shall consist of the smallest percentage permissible by law at that time.

ARTICLE IV Directors

Section 1. Provisions of the General Corporation Law. Except in those particulars and to the extent hereinafter expressly provided for, all provisions (whether mandatory or permissive) of the General Corporation Law, as now or hereafter existing, are approved, adopted and made applicable to the Company; and whenever no express provision is contained herein with respect to any matter authorized or permitted to be regulated, fixed or established by or in the By-Laws, it is intended to adopt and approve the statutory provisions pertaining thereto and regulating or providing for the same.

Section 2. Qualifications and Term. No person shall be eligible for election as a member of the Board of Directors unless he is a bona fide owner of at least one share of the Capital Stock of the Company; provided that any business entity or public agency shareholder may assign at least one share of Capital Stock of the Company to any person designated by such business entity or public agency to enable such designated person to serve on the Board of Directors.² No regular employee of the Company who receives a salary shall serve on the Board of Directors. The term of office of a director shall begin immediately upon his election or appointment; and each director so elected or appointed and qualifies, or until he resigns or is removed from office, whichever shall first occur.

Section 3. Organization Meeting. A meeting of the Board of Directors (to be known as the "Organization Meeting") shall be held within one month following the adjournment of the shareholders' meeting at which directors are elected.³

Section 4. Regular Meetings. Meetings of the Board of Directors, to be known as "Regular Meetings," shall be held at such date and time as the Board of Directors shall determine from time to time.⁴ If the date appointed for a regular meeting falls upon a legal holiday, it shall be held at the same hour on the next succeeding business day.

Section 5. Special Meetings; Emergency Meetings. Special meetings of the Board of Directors may be held from time to time, in accordance with the notice provisions of Section 6, below, upon call by the Chairman or if he be absent or be unable or refuse to act, by any Vice Chairman; and it shall be the duty of the Chairman, or, if he be absent or be unable or refuse to act, then of any Vice Chairman, to call a special meeting upon the written request of two directors, specifying the purpose; and in the event neither the Chairman nor Vice Chairman shall call such meeting upon said request, then the same may be called by said two directors. The call, in any instance, shall be delivered to the Secretary or person whose duty it is to give notice. An emergency meeting of the Board may be called by the Chairman, or by any two directors other than the Chairman, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required by Section 6.⁵

Section 6. Notice of Board Meetings; Open Board Meetings; Executive Sessions. All Board of Directors' meetings shall be open to attendance by Eligible Persons ("Eligible Persons" shall mean shareholders, except for executive sessions of the Board to discuss (a) litigation; (b) contracts to be formed with third parties; (c) shareholder discipline; provided that the shareholder that is the subject of any fine, penalty or other discipline has the right to attend the executive session; (d) personnel matters; or (e) a shareholder's payment of assessments where the shareholder requests to meet in executive session. Any matters discussed in executive session of a Board meeting must be generally noted in the minutes of the

immediately following meeting. Any Eligible Person who desires to attend a Board of Directors' meeting must provide at least twenty-four (24) hours' prior written notice of his or her intent to attend that meeting. Any Eligible Person who attends a Board meeting must be allowed to speak at the meeting, although the Board can establish a reasonable time limit for such comments.

Notice of the time and place of all Board meetings must be provided, as specified in this paragraph, to all Eligible Persons at least four (4) days before the meeting; provided, that if the Board meeting only consists of an executive session, the notice must be given at least two (2) days before the meeting. Notice of the meeting must specify the time and place of the meeting and must include an agenda for the meeting, specifying the items to potentially be discussed and upon which action may be taken. Notice of the meeting shall be posted at the outside of the Company's office, may be provided by e-mail to any Eligible Person if the Eligible Persons consents, and must be provided by mail to any Eligible Person who has requested mailed notice of the meetings; provided that the Company may recover from the recipient the reproduction and mailing costs for that requested notice.

Notices of meetings shall be delivered at least four (4) days before the meeting to directors personally, by facsimile, by electronic mail or by telephone to each director or sent by first-class mail, charges prepaid, addressed to each director at that director's address as it is shown on the records of the Company, or as may have been given to the Company by the director for purposes of notice, or, if such address is not shown on such records or is not readily ascertainable, at the place where the meetings of the directors are regularly held.⁶

Section 7. Place of Directors' Meetings; Meetings by Telephone or Electronic Transmission. Meetings of the Board of Directors, whether regular or special, shall be held at such place within the State of California as has been designated from time to time by motion or resolution of the Board; and, in the absence of such designation, shall be held at the principal office of the Company. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as notice of the teleconferenced meeting is provided (including identifying at least one physical location where Eligible Persons, as defined in Section 6, above, may attend) and all directors participating in the meeting, and any Eligible Person attending the meeting, can hear one another. All directors participating by teleconference shall be deemed to be present in person at the meeting. The Board may not conduct a meeting by a series of electronic transmissions, except in the event of an emergency meeting, as described in Section 5, above, where all directors consent in writing to the action.⁷

Section 8. Limitation on Board Action and Discussion. Other than for the exceptions listed in subdivision (i) of Corporations Code Section 14305, the Board of Directors may not discuss or take action on any item at a non-emergency Board meeting that is not placed on the agenda included in the notice for that meeting. Directors are also prohibited from taking action on any items outside of a Board meeting unless the item has been delegated by the Board to another person.⁸

Section 9. Vacancies. Any vacancy in the office of director, however created or arising, may be filled by a majority of the remaining directors, though less than a quorum; and the shareholders may fill any vacancy existing at any time and not filled by the directors.

Section 10. Quorum. A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business; and, unless otherwise required by law or these By-Laws, every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 11. Performance of Duties by Director; Liability.

(a) A director shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the Company and its shareholders and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

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

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

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

(3) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

(c) A person who performs the duties of a director in accordance with subdivisions (a) and (b) shall have no liability based upon any alleged failure to discharge the person's obligations as a director.⁹

Section 12. Compensation of Directors. Directors shall receive no stated salary for their services as directors, but each director shall be paid for each regular or special meeting attended by him such sum as may be fixed by the shareholders or fixed by the Board of Directors, from time to time, at any meeting thereof. In the event a director cannot attend an assigned outside committee meeting as the voting representative the appointed voting alternate shall be compensated in his place, receiving the same amount of compensation.¹⁰ A director shall also be allowed his reasonable expenses (which includes transportation, meals and lodging) when actually engaged in the business of the Company, to be audited, allowed and paid as other claims against the Company.

Each Director of the corporation shall be paid the amount fixed as compensation for attendance at regular meetings of the Board and the annual meeting even though he may be absent from such meeting; provided, however, that such compensation shall be paid for a maximum of two absences from such meetings during any one fiscal year of the corporation.¹¹

ARTICLE V Notices

Section 1. Applies to All Notices. Except as in conflict with law, or other provisions of these By-Laws, including Section 6 of Article IV with respect to notice of Board of Directors' meetings, the provisions of this Article are intended to, and shall apply to, all notices required, or permitted, to be given, including notices of shareholders' meetings and assessments.

Section 2. By Whom Given, Method of Making, and Signing. Notices shall be given by the Secretary, or by an Assistant Secretary, if such assistant be so directed by either the Secretary, the President, or the directors. If the person whose duty it is to give any notice shall fail or refuse so to do, then it shall be given by any person thereto directed by the Chairman or the directors; or in the event of a called meeting, it may be given (in the event of such refusal by the one directed so to do) by the person or persons calling the meeting. Whenever a written notice is required to be given, or is given, under these By-Laws, or pursuant to any provision of law, it may be made by any method appropriate for such purpose, including longhand writing, printing, stamping, multigraphing, mimeographing, typing, sent by e-mail transmission in accordance with applicable law, or by one or more or all of such methods, or in part by one method and in other parts by another or other methods.¹²

No notice need be actually signed or subscribed by the hand of the person giving it, and in lieu of actual signing, the name of such person may be made by the method used in making any other portion of the notice, or by any method by which any portion of the notice might be made as hereinbefore provided.

Section 3. Where Notice Is to Be Mailed. When resort is had to giving any notice by mail, such notice shall be deposited in the United States Post Office in the city or community in which the principal office of the Company is situated, or in a United States Post Office within not more than fifty miles from said principal office, with postage thereon prepaid, and directed to the person to be served at the address of such person, if such address appears on the records of the Company; and if same does not appear on such records, then addressed to such person at the Post Office at or from which delivery of mail is made at the principal office of the Company. The notice shall be deemed to have been deposited in said Post Office, when deposited in a letterbox, or other mail receptacle from which mail is regularly collected for said Post Office.

Section 4. Method, Publication and Form. The Board of Directors shall have power, subject to provisions of law, or of these By-Laws specifically regulating the matter, from time to time and at any time, to determine and order, with respect to notices, or any notice, as follows:

- (a) Where two or more methods are available, which method shall be used, and use of one method as to one or more persons to be served, and another method, or methods, as to others;
- (b) The newspaper in which publication is to be made;
- (c) The date, or dates, of publication;
- (d) The form and contents of the notice; and
- (e) The date of mailing of the notice.

If the time has arrived when the person charged with the duty desires to give notice, and the board has failed to determine any of the above, the same shall then be determined by such person; and the power

reserved to, and conferred upon the Board, as above stated, shall be exercised, and the determination made, by the person giving the notice.

ARTICLE VI Officers

Section 1. Number of Officers. The officers of the Company (herein called “regular officers”) shall be elected by the directors, and shall consist of a Chairman of the Board, a Vice-Chairman of the Board, a President, a Chief Financial Officer, a Secretary and a Treasurer. The Company shall also have, at the discretion of the Board of Directors, one or more additional Vice Chairmen's, one or more Assistant Secretaries, one or more assistant Financial Officers, and such other officers as they deem desirable for the transaction of the business of the Company.

The Chairman of the Board and the Vice-Chairman of the Board must be members of the Board of Directors.¹³

Any two or more of said officers, except the Chairman of the Board and Secretary, may be held by the same person. Regular officers shall be elected at the organizations meeting of the Board. Unless sooner removed by the Board of Directors, or unless they resign or become or be disqualified, all of the officers shall hold office until their successors are chosen and qualified. The Chairman of the Board, Vice-Chairman of the board and any other officer, whether elected or appointed by the Board of Directors, may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, and the Chairman of the Board, Vice-Chairman of the Board and each other regular officer shall take and hold office subject to the right of removal by the Board of directors.¹⁴

Section 2. Chairman of the Board. The Chairman of the Board shall, if present:

- (a) Preside at all meetings of the Board and at all Shareholder meetings. Such shall not prevent him from voting, either at shareholders’ meetings or as a director at directors’ meetings upon any question.
- (b) Unless otherwise directed by the Board of Directors, sign as Chairman of the Board all deeds and all other instruments in writing which have been first approved or authorized by the Board of Directors.
- (c) Have, subject to the advice of the directors, general and active supervision of the business and affairs of the corporation, and shall have power to cause the orders and resolutions of the Board to be carried into effect, and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or prescribed by law or by these By-Laws.¹⁵

Section 3. Vice-Chairman of the Board. The Vice-Chairman of the board shall, in the absence or disability of the Chairman of the Board, perform the duties exercise the powers of the Chairman of the Board, and shall perform such other duties as the board of Directors.¹⁶

Section 4. President. Subject to the supervisory powers of the Chairman of the Board and/or the Vice-Chairman of the Board, if there be such an officer, the President shall have (1) general supervision,

direction, and control of the day to day business and affairs of the Company, including the supervision and direction of other employees of the Company; (2) the power to enter into contracts on behalf of the Company as may from time to time be authorized by the Board of Directors; (3) subject to the prior approval of the Chairman of the Board or the Directors, the power to employ and discharge all agents and employees of the Company other than the duly appointed officers, and the Chairman and Vice-Chairman of the Company; and (4) such other powers and duties as may be prescribed by the Board or by these By-Laws. Within this authority and in the course of his duties, he shall:¹⁷

- (a) Be ex officio a member of all Board committees unless appointed by the Board as a regular member.
- (b) As from time to time directed by the Board of Directors, sign contracts and all other instruments in writing which have been first approved or authorized by the Board of Directors.¹⁸

Section 5. Secretary. The Secretary shall:¹⁹

- (a) Attend all sessions of the Board, and all meetings of the shareholders, and record all votes and minutes of all proceedings in a book to be kept for that purpose, and perform like duties for the standing committees *when required*;
- (b) Keep the corporate seal of the Company and books of blank certificates of stock, fill up and countersign all certificates issued, and affix the corporate seal to all papers requiring a seal; and
- (c) Keep proper account books and such records and books pertaining to the issuance and transfer of shares as may be required by law, or these By-Laws, or as the Board of Directors shall prescribe, and discharge such other duties as pertain to his office, or which may be required by law, or by these By-Laws, or by the Board of Directors.

Section 6. Chief Financial Officer. The Chief Financial Officer shall:

- (a) Have custody of the corporate funds and securities and keep full and accurate accounts of receipts and disbursements in books belonging to the Company and deposit all moneys and other valuable effects, in the name and to the credit of the Company, in such depositories as may be designated by the Board of Directors;
- (b) Disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and render to the Chairman of the Board and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Chief Financial Officer and of the financial condition of the Company; provided, the Board may prescribe the manner in which funds shall be withdrawn from and paid out by any depository; and
- (c) Give the Company a bond if required by the Board of Directors in a sum, and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and for the restoration to the Company, in case of death, resignation, retirement, or removal from office, of all

books, papers, vouchers, money and other property of what ever kind in his possession or under his control belonging to the Company.²⁰

Section 7. Duties of Officers May Be Delegated. In case of the absence of any officer of the Company, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, the powers or duties, or any of them, of such officer, to any other officer, or to any director, provided a majority of the entire Board concur therein.²¹

ARTICLE VII

Certificates and Transfers of Shares

Section 1. By Whom Signed. Certificates for shares shall be signed by the Chairman of the Board or Vice-Chairman of the Board and the Secretary, or by the President, if such assistant be thereto authorized by the Board of Directors.²²

Section 2. Form. Subject to the provisions of law, and these By-Laws, certificates for shares shall be of such form and device as the Board of Directors may direct.

The person to whom issued shall be denominated therein as the "record holder," or by such other designation as shall be ordered by the Board pursuant to any provision of law.

The person in whose name a pledge of shares may be registered on the certificate (and on the stock records of the Company) shall be known as the "registered pledgee." Each certificate shall be issued and held upon and subject to all of the conditions and provisions thereon stated, all of which shall be binding upon the record holder, and registered pledgee (if any) and any transferee or person claiming any interest in the shares, or any of them, evidenced thereby.

Section 3. Registration of Pledge. Upon surrender to the Secretary of a certificate, accompanied by proper and satisfactory evidence of an assignment in pledge, the Company shall issue a new certificate stating therein the name of the record holder, and also the name of the one registered as pledgee, and cancel the old certificate, and record the transaction (with the name of the pledgee) on its books. More than one pledgee may be registered, their priority being indicated by the expressions "first pledgee," "second pledgee," and so forth.

Section 4. Charges Are Liens on Shares. Each charge or toll for water delivered to or for the record holder of any shares by virtue of or in respect of ownership of such shares is a lien against said shares from the time when furnished until paid. Said lien may be foreclosed in the manner now or as may be hereafter provided by law of the State of California for foreclosure of pledge. Notice of the time and place appointed for the sale of any shares upon foreclosure of such lien shall be mailed to the record holder of said shares at the address of such record holder as it then appears upon the books of the Company, and if no address appears, then mailed to said record holder at the city or community where the principal office is situate. No demand for payment or other notice of sale to the record or to any person appearing by the records of the Company to have an interest in said shares need be given other than as provided by law or as herein before provided. At any such sale or sales the Company may bid and purchase.

Section 5. No Transfer While Unpaid Liens. No transfer of the shares of the Company can or will be made on the books of the Company while any assessment, charge or toll there against remains or is unpaid.

Section 6. Assessments and Liens. An assessment shall be a lien upon the shares assessed from the time of the levy. Subject to provisions of law applicable thereto, there shall be on the face of each certificate a statement in form, meaning and effect, substantially as follows:

"Shares evidenced by this certificate are Assessable. No shares are transferable when:

- (a) An assessment currently due and payable is unpaid; or
- (b) When a registered holder is indebted to the Corporation.

If an assessment is payable in installments over a period of time, no shares subject to that assessment will be transferable until the installments which will become due and payable in the then current fiscal year of the Corporation are paid."²³

Section 7. Penalties, Interest and Collection Costs. Each shareholder shall be liable for payment of and shall pay to the Company, upon its demand, all expenses incurred by the Company in collecting or enforcing payment from such shareholder of any delinquent assessment, charge, toll or other indebtedness. Included in such expenses are attorney's fees in any proceeding for the enforcement of any lien herein provided for, or the collection of such indebtedness, whether by court action or otherwise, and all expenses of any sale.

If payment is made after a stock assessment has become delinquent and before the sale of such stock, the shareholder shall pay a penalty of five percent (5%) of the amount of the assessment on the shares in addition to the assessment. All penalties on delinquent assessments, interest on overdue charges, tolls or other indebtedness, and expenses of collection, as above provided for, shall be added to the principal debt, and shall become and be a lien upon and against the shares, and be secured thereby and enforced in the same manner and with the same effect as the principal debt.

Whenever elsewhere in these By-Laws or in the share certificates, the terms assessment, charge, toll, or any of them, shall be used, such terms shall be deemed to include, in each and every instance whenever such construction is possible or permissible, all penalties, interest and collection expenses pertaining to such assessment, charge or toll, or attaching, accruing or resulting from the nonpayment thereof when due.

Section 8. Record Holder Liable for Tolls and Charges. The record holder of any shares shall be entitled to the delivery of all water apportioned to such shares within the area described in the Articles of Incorporation, subject to suspension or discontinuance, as herein provided, and shall be personally liable for the payment of all tolls, charges, interest, costs and penalties in respect of or on account of such shares during the time the same are registered in his name on the books of the Company.

ARTICLE VIII Powers of Board of Directors

The Board of Directors, subject to restrictions laws, the Articles of Incorporation, of these By-Laws, shall exercise all of the powers of the Company, and without prejudice to or limitation upon their general

powers, it is hereby expressly provided that the Board of Directors shall have, and they are hereby given, full power and authority, in their unlimited discretion (to be exercised by motion or resolution adopted by majority vote of all the members of the Board whether denominated a rule or regulation, or otherwise), in respect other matters, and as hereinafter set forth, to-wit

1. Seal. To adopt, use and at will alter, a corporate seal of form and device approved by the Board; provided, there shall be set forth on said seal, the name of the Company and the State and date of incorporation. Said seal shall be affixed to the share certificates and such other instruments as the Board shall direct.

2. Share Register. To prescribe the form and provide for keeping a share register and records pertaining to the issuance, registration and transfer of shares.

3. Financial Reports; Annual Review; Budget. To prescribe the form, and provide for making and giving financial statements and reports to the shareholders. No balance sheet with statement of income and profit and loss, or other report need be sent to the shareholders. The Board shall cause the Company to engage a certified public accountant or public accountant to conduct an annual review in accordance with generally accepted accounting principles of the Company's financial statements and financial reports. The Board shall adopt a budget prior to the commencement of the Company's fiscal year.²⁴

4. Rules and Regulations. To adopt, repeal, modify, from time to time change, and enforce, all rules and regulations not inconsistent with the laws of the State of California, or with the Articles of Incorporation, or with these By-Laws, by them deemed essential or desirable for the management or conduct of the Company's business and affairs, or the exercise of their powers. Said rules and regulations may, in addition to any other things, provide for and regulate any of the matters in this Article referred to, and authorized to be determined by the Board of Directors.

5. Transfer Fee. To provide for the payment of a transfer fee, to be fixed by the Board of Directors, for the transfer of shares upon the books of the Company.²⁵

6. Compulsory Exchange of Certificates. To require the respective holders of outstanding share certificates, or of any of such certificates, to surrender and exchange them for new certificates within a period to be fixed by the Board, not less than thirty (30) days from the giving of notice, whenever the Articles of Incorporation have been amended in any way affecting the statements contained in the outstanding share certificates, or whenever it becomes desirable for any reason, in the discretion of the board, to cancel any outstanding share certificate and issue a new certificate therefor conforming to law or to the rights of the holder. In any order requiring such surrender and exchange, the Board may provide that no holder of any such certificate ordered to be surrendered shall be entitled to vote or to receive any water or exercise any of the other rights of the shareholders of record until he shall have complied with such order, but such order shall only operate to suspend such rights after notice and until compliance. Notice of such order shall be given in the manner prescribed in these By-Laws for notice of meetings of shareholders, provided that mailing of notice shall in any instance be sufficient and no publication thereof need be made. Such duty of surrender may also be enforced by action at law and any shareholder having the ability, or other person having the possession and control, refusing or failing to surrender and exchange any certificate in accordance with the order of the Board of Directors shall be liable to the Company for all damages incurred

by it from such refusal or failure, including reasonable attorney's fees incurred by the Company, in enforcing such duty.

7. Committees. The Board of Directors, by action approved by a majority of the authorized number of directors, may designate one or more committees, including an Audit Committee, each consisting of two or more directors, to be appointed by the Chairman to serve on any committee. The Chairman also shall designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any committee, to the extent provided in the Board's action, shall have all the authority of the Board, except with respect to:

- (a) The approval of any action which, under the General Corporation Law of California, also requires shareholders' approval or approval of the outstanding shares;
- (b) The filling of vacancies on the Board of Directors or in any committee;
- (c) The fixing of compensation of the directors for serving on the Board or on any committee;
- (d) The amendment or repeal of By-laws or the adoption of new By-laws;
- (e) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not amendable or repealable;
- (f) A distribution to the shareholders of the Company, except at a rate or in a periodic amount or within a price range set forth in the articles of incorporation or determined by the Board of Directors; or
- (g) The appointment of any other committees of the Board of Directors or the members of these committees.

The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, the committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or the committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provision of Article IV applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee.²⁶

8. Delegation of Powers. To delegate to the Chairman, President, any superintendent or other employee or agent of the Company, the enforcement of the rules and regulations of the Company, and the determination of all matters of a ministerial nature.²⁷

9. Tolls and Assessments. To fix and from time to time change the charges or tolls payable for water furnished, or other service rendered; and to levy, collect and enforce assessments against the shares of stock.

It shall lie within the discretion of the Board of Directors to determine what part of the revenue of the Company shall be raised by assessments, and what part by tolls or rates, and what amount or items shall be charged to current operating expense, and what to permanent additions or betterments.

10. Delinquency and Interest. To provide the time when tolls, charges and accounts shall be due, and when delinquent, and for the payment of interest on past due tolls, charges and accounts at the rate of not to, exceed two percent (2%) per month.

11. Suspension of Services. To provide for the suspension of water service and for discontinuance of water delivery for violation of the rules and regulations, or for failure to pay any charges, tolls, assessments, costs, interest, penalties or other sums payable to the Company, and the time when the conditions upon which such delivery or service shall be resumed. Such discontinuance may be solely with respect to the delinquent shares, or with respect to all shares of the shareholder, whether delinquent or not.

12. Measuring and Diversion Devices. To provide for, determine and fix the location and installation of the measuring gates, hydrants, weirs and meters for turning out or measuring the water to which the respective share holders may be entitled, and that no gate, hydrant, weir or meter shall be installed or changed without the consent and approval of the Board, and that each new installation of such gate, hydrant, weir or meter shall be installed by the Company at the expense of the shareholder or share holders using the same. Any such appliance shall be owned by, be under the control of the Company, and be deemed a part of the Company's distribution system.

No shareholder, by virtue of the ownership of shares, shall be entitled to connect with the distributing system, used by the Company for delivery of water, or to take water therefrom, except with the consent, and upon and subject to the rules and regulations of the Company pertaining thereto; and the Company reserves and shall have full control over all storing, distributing, measuring and diversion appliances, and over all water until it shall have been actually released or delivered for or to the shareholder.

13. Regulations of Water Service. To provide, determine and fix, at such time or times, and in such manner as the Board shall determine, and to change, any or all of the following with respect to delivery of water, to-wit:

- (a) The amount of water available for distribution to the shareholders, and the amount apportioned for and to be delivered for or to each share for any season, year or period of time. In making such determination the Board shall take into consideration all factors by them deemed relevant, and their determination, in good faith shall be conclusive upon each and every shareholder.²⁸

14. Extension of Distribution System. To provide and determine the place or places where, and the points to which the water distributing system or any other system, service, or appliances of the Company shall be located or extended. The holding of shares of the Company shall confer no right upon the shareholder to have any pipeline, water conduit, or other appliance of the Company enlarged or extended without the consent of the Board of Directors, and the Board of Directors shall at all times, be the exclusive judge of the necessity and expediency of constructing, enlarging, changing and extending the water distribution system or other appliances of the Company, and such expediency and necessity shall, at all times, be determined by and subject to the sole and uncontrolled discretion of the Board of Directors. Provided, however, that irrespective of where used, water is to be delivered by the Company, for whatever purpose, to shareholders solely within the area or territory described in the Company's Articles of Incorporation and

no extension of Company delivery facilities shall be provided for an extension of water service or delivery of water outside said area.

ARTICLE IX Miscellaneous

Section 1. Fractional Shares Prohibited. Shares may not be divided, and certificates for fractional shares shall not be issued or permitted, except in cases where fractional shares have heretofore been issued and are still outstanding. Shares sold or forfeited to the Company for nonpayment of an assessment and any penalty thereon shall also be for full shares, except for outstanding fractional shares.

Section 2. Company Fiscal Year. The Company's fiscal year for allocating its water among shareholders and for accounting purposes shall be the period July 1 through the following June 30. The Board of Directors by Resolution may change the Company's fiscal year at any time and from time to time.

Section 3. Shareholders' Right Of First Refusal To Company Owned Water. The Company has been adjudicated to be the owner of a right to annually produce water from the Main San Gabriel Groundwater Basin and its relevant watershed. The quantitative right of such production depends upon rainfall and other relevant factors prescribed by the Court in said adjudication action and by the Main San Gabriel Basin Watermaster appointed by said Court. For each fiscal year, the said Watermaster establishes the Operating Safe Yield of the Basin and the share thereof of each Basin producer, including the Company.

Each Company shareholder is entitled to the delivery of his individual proportionate share of the Company's owned water, based upon such shareholder's percentage of ownership of Company capital stock. All Company shareholders shall have a right of first refusal to all Company owned water and water entitlement, as hereinafter set forth.

Each year, pursuant to an operational calendar established by the Board of Directors and after the Main San Gabriel Basin Watermaster has notified the Company of the quantitative amount of its entitlement to water from said Basin during the next fiscal year, the Company shall notify each of its shareholders of the amount of his proportional entitlement to Company water during said fiscal year. Such Company notification to its shareholders shall include a questionnaire requiring each shareholder to timely advise the Company of his intention to use more than (designating the amount), all, some (designating the amount), or none of his said share of Company water from his said Company entitlement. Each shareholder shall complete said questionnaire and return it to the Company within 30 days of its receipt. Failure of a shareholder to timely return said questionnaire to the Company shall be deemed a designation by such shareholder that he will temporarily lease all of his company owned shares of stock through the "Pooled-Water" program established and maintained by the Company and not use any of his company entitlement water during the next fiscal year.

All Company allocated water which is designated as not to be used by the original shareholders entitled thereto, shall be classified as "Pooled-Water" and first made available, proportionately, for temporary lease of the shares of said original shareholder as "Pooled Water" and the water entitlement use thereof by other Company shareholders, as herein provided.

Any Company shareholder desiring delivery of more than his original proportionate and allocated share of Company water in the next fiscal year shall be entitled to temporarily lease non-user shares of stock and purchase his proportionate share of Pooled-Water, to the whole of shareholders' allocated but currently not to be used water.

Such non-user stock and Pooled-Water shall be so available to other Company shareholders at a price to be reviewed and determined annually based on the Main San Gabriel Basin Watermaster's cost of Replacement Water during the then current fiscal year and, in addition thereto, the Company's charge for water delivery at the time of such delivery.²⁹

The purchase price paid by Company shareholders for such leased shares and Pooled-Water shall be allocated between the offering shareholders and the Company whereby the Company's delivery charge shall be retained by the Company and the balance paid proportionately to or for the benefit of the shareholders making such stock and additional water available to the other shareholders by way of the Company's Pooled-Water program.

In the event of over-subscription of Pooled-Water whereby more water is requested by Company shareholders from Pooled-Water than is available from the pool, Pooled-Water shall be made available to requesting shareholders in the proportion that each requesting shareholders' stock ownership bears to the total of the shares requesting delivery from the Pooled-Water.

Both requesting and releasing shareholders shall be notified by the Company, within thirty (30) days of its receipt of the above mentioned questionnaire, whether the Pooled-Water is over or under-subscribed and the effect thereof, individually, upon each requesting and releasing shareholder.

In the event of under-subscription of Pooled-Water whereby more water is made available by non-user shareholders that is requested by other Company shareholder's, the Pooled-Water requested to be delivered by the Company (and the said shares therefor, minus Company delivery charges,) shall be appointed among the releasing or non-using shareholders in the fraction of an individual shareholders' released amount over the total so released, multiplied by the total requested temporary stock leases and Pooled-Water purchased.

The proportionate balance of a shareholders' un-subscribed but offered to release amount of water, if any, shall be available to him for other disposition, through his own temporary lease of his Company stock and the Company's temporary transfer of its water rights, at such shareholder's request to the Company, to his own negotiated stock leasee-water purchase, at his own negotiated price and conditions and without any additional Company incurred non-reimbursable expense.

In the event a shareholders' total water needs are not met through his individual entitlement and his request for Pooled-Water, such additional amount of water shall be delivered by the Company at a cost to such shareholder of the Main San Gabriel Basin Watermaster's Replacement Water Assessment for over production during the then current fiscal year plus the Company's then current charge for water delivery.

Any and all Pooled-Water which has been subscribed for by Company shareholder(s) but which has not been delivered by the Company to such subscribing shareholder(s) in the requested fiscal year, for any reason not occasioned by the aside subscribing shareholder, shall be carried over to the credit of the said shareholder(s) for delivery by the Company in the next fiscal year at the price charged by the Company on to its users in the year in which the water is delivered.³⁰

In the event a shareholder does not take deliver or otherwise makes use* of all or part of his remaining proportionate and allocated share of subscribed Company Pooled-Water for a particular fiscal year, as

herein provided, such remaining an unused amount of water shall accrue to the general benefit of the Company and all of its shareholders. *The word "use" as used in the foregoing paragraph shall be understood to include use of a shareholder's share of Company water by any person or entity leasing said stock.³¹

Nothing in these By-Laws shall be deemed to prohibit any shareholder from independently leasing all or any portion of his stock in the Company and the accompanying right to the delivery of his pro-rata share of Company water to any other person or entity that is a shareholder within the Company for such price and upon such conditions as he shall determine.³²

ARTICLE X INDEMNIFICATION OF AGENTS

Section 1. Agents, Proceedings, and Expenses. For the purposes of this Article, "agent" means any person who is or was a director, officer, employee, or other agent of this Company, or is or was serving at the request of this Company as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or Section 5(c) of this Article.

Section 2. Actions other than by the Company. This Company shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Company) by reason of the fact that such person is or was an agent of the Company, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if that person acted in good faith and in a manner that person reasonably believed to be in the best interests of this Company and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Company or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Actions by the Company. The Company shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this Company to procure a judgment in its favor by reason of the fact that such person is or was an agent of this Company, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of that action if such person acted in good faith, in a manner such person believed to be in the best interests of the Company and its shareholders. No indemnification shall be made under this Section for any of the following:

- (a) In respect of any claim, issue or matter as to which that person shall have been adjudged to be liable to this Company in the performance of that person's duty to the Company and to its shareholders, unless and only to the extent that the court in which that action was brought shall determine upon application that, in view of all the circumstances of the case, that person is

fairly and reasonably entitled to indemnity for expenses and then only to the extent which the court shall determine;

- (b) Of amounts paid in settling or otherwise disposing of a pending action without court approval; or
- (c) Of expenses incurred in defending a pending action which is settled or otherwise disposed of without court approval.

Section 4. Successful Defense by Agent. To the extent that an agent of the Company has been successful in the merits in defense of any proceeding referred to in Section 2 or 3 of this Article, or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. Required Approval. Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by this Company only if authorized in the specific case on a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article, by any of the following:

- (a) A majority vote of a quorum consisting of directors who are not parties to the proceeding;
- (b) If such a quorum of directors is not obtainable, by independent legal counsel in a written opinion;
- (c) Approval by the affirmative vote of a majority of the shares of the Company entitled to vote represented at a duly held meeting at which a quorum is present or by the written consent of holders of a majority of the outstanding shares entitled to vote. For this purpose, the shares owned by the person to be indemnified shall not be considered outstanding or entitled to vote thereon; or
- (d) The court in which the proceeding is or was pending, on application made by the Company or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this Company.

Section 6. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Company before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay such amount of the advance if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article.

Section 7. Other Contractual Rights. The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent such additional rights to indemnification are authorized in the articles of incorporation. The rights to indemnity hereunder shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person. Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers of this Company may be entitled by contract or otherwise.

Section 8. Limitations. No indemnification or advance shall be made under this Article, except as provided in Section 4 or Section 5(d), in any circumstance where it appears:

- (a) That it would be inconsistent with a provision of the Articles, the Bylaws, a resolution of the shareholders, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. Insurance. Upon and in the event of a determination by the Board of Directors to purchase such insurance, the Company shall purchase and maintain insurance on behalf of any agent of the Company against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Company would have the power to indemnify the agent against that liability under the provisions of this section.³³

Compromise

This Agreement between the Azusa Irrigating Company, a corporation duly organized and existing under the laws of the State of California, party of the first part, and the Azusa Water Development and Irrigation Company, a like corporation, party of the second part, The Duarte Mutual Irrigation and Canal Company, and The Beardslee Water Ditch Company, like corporations, parties of the third part, and the Azusa Land and Water Company and the Azusa Agricultural Water Company, like corporations, and Kate S. Vosburg and Louise S. Macneil, parties of the fourth part, and E. P- Thompson, J. W. Marshall, George E. Gard and other parties hereto signing this agreement individually and known as old users, parties of the fifth part; Witnesseth:

That Whereas the aforesaid parties own or claim waters of the San Gabriel Canyon, developed or hereafter to be developed above the upper end of the tunnel of parties of the first and third part as well as that flowing on the surface in the San Gabriel Canyon, in the County of Los Angeles, and whereas the party of the second part has instituted a suit in the Superior Court of, Los Angeles County, Cal., vs. some of the parties hereto and others, wherein it is alleged that the defendants therein have appropriated and used waters from the San Gabriel river, and whereby it is sought to limit the use by defendants of the waters of

said river and establish the rights of the plaintiff in water collected and brought out in its tunnel as well as in the surface flow; and whereas disputes exist as to the extent of the respective rights of the parties hereto in said waters; and whereas it is desired to settle all disputes, and, to a certain extent, pipe the water and divert it in a common aqueduct for amicable division and use:

Now, Therefore, it is hereby mutually agreed that out of all the waters of the San Gabriel river, including the water now or hereafter coming from or through the tunnel, run under the bed of the San Gabriel river by the party of the second part, and all waters now or hereafter taken by or in the interest of or used by either of the parties hereto, taken from any point above the tunnel of the said parties of first and third part, from said canon or river or its tributaries by any works, means or methods, the aforesaid parties shall take for and on account of their claims to the waters aforesaid, water in the following proportions: So long as there may be an amount equal to the flow of 1700 inches, miners' measurement under four-inch pressure, or any lesser amount at the point of division between the party of the third part and the other parties hereto, then seventy-two, seven hundred and twentieths (72-720) shall be taken by the party of the second part. Two hundred and sixteen, seven hundred and twentieths (216-720) shall be taken by the party of the third part. Forty-five, seven hundred and twentieths (45-720) shall be taken by the Azusa Land and Water Company. Fifty-four, seven hundred and twentieths (54-720) shall be taken by the Azusa Agricultural Water Company. Twenty-seven, seven hundred and twentieths (27-720) shall be taken by Kate S. Vosburg and Louise S. Macneil. Three hundred and six, seven hundred and twentieths (306-720) shall be divided into as many parts as there are acres in the tract hereafter agreed to be known as "The Azusa Water District" and taken by parties of the fifth part and by the parties of the first and second parts pro rata in proportion to acreage represented therein by said first, second and fifth parties. Said parties of the first and second parts shall each represent all the acreage and take the water of an lands of the so-called old users who have turned over to such corporation the management and control of the water to which they are entitled. Parties of the first, second and fifth parties hereto agree among themselves that the following are the boundaries of such acreage: Beginning at the N. W. comer of Section 36, T. I N., K 16 and west center line of Section 2, T. I S., K 10 W., S. B. M.; thence west through the center of Sections 2 and 3 to the west line of Section 3; thence south to N. E. comer of Section 9, same township and range; thence west along north line of said Section 9, twenty chains; thence south forty chains; thence west twenty chains, to center of Section 9; thence south twenty chains; thence west twenty chains; thence south twenty chains to south line of Section 9; thence due west thirty chains to a point due north of a sycamore tree, the N. W. comer of the land of Humphries; thence south to the southwest comer of Humphries' land; thence east along the south line of the land of Humphries and the land formerly known as the Bonebrake tract to the S. E. comer of said tract; thence north a little east to the San Bemardino road at the northeast comer of the Bonebrake tract; thence east by north along said road to where it is crossed by the east line of Section 13, same township and range; thence north along said east line and continuing north on east line of section 12, to point of intersection with the west boundary line of the San Jose Addition; thence north by west along said boundary line to the northwest comer of said ranch; thence north by east along said ranch to point of intersection with east and west center line of Section 1; thence west to center of Section 1; thence north twenty chains; thence east twenty chains; thence north twenty chains; thence east twenty chains; thence south to the intersection with the north line of the San Jose Addition; thence east by north along said line to the point of intersection with the cement ditch; thence north by west along the cement ditch to point of intersection with the east and west fine through the center of Section 3 1, T. I N., R. 9 W., S. B. M.; thence west thirty chains; thence north fifteen chains; thence west ten chains; thence north to the point of intersection with the east and west line through the center of the south half of Section 25; thence west along said line to the west line of said Section 25; thence south along said west line to point of beginning; said tract being the Azusa Water District It is further agreed that all said waters shall be run through the upper tunnel and to the point of division between the party of the third part and the other parties hereto, and 3/10ths of said first 1,700 inches of said water or of a less amount if there is less at said point, turned out to party of third part. The

remaining 7-10ths of said first 1700 inches of said water shall run in the ditch, tunnels and flumes of the said party of the second part as herein provided. When said waters at said point of division between the party of the third part and the other parties are in excess of said 1700 inches such excess shall be divided as follows:

241-720ths of such excess to party of second part.

160-720ths of such excess to party of third part.

33-720ths of such excess to Azusa Land and Water Company.

40-720ths of such excess to Azusa Agricultural Water Company.

226-720ths of such excess to fifth party and to the parties of first and second parts, divided between said parties of the first, second and fifth parts pro rata, as the 306-720ths of the aforesaid 1700 inches, are divided among said parties, and said water above 1700 inches shall be conveyed by the same means by which said first 1700 inches is conveyed, except as herein otherwise provided. The said Azusa Land and Water Company and Azusa Agricultural Water. Company of the fourth part, may take their parts of the water at four places, or any one or more of them between the point of division with the Duarte and the part of the long flume immediately over the greatest depression of the Arroyo, one of said four places for division, being at said point over said Arroyo, and also at any two places on the old main ditch, such places to be designated by the said parties of the fourth part within six months from the date hereof. That said Kate S. Vosburg and Louise S. Macneil can take any portion of their proportions of water from the cement ditch at a separate gate for each, between said long flume and the east line of said ranch, or at one of the places established for the corporations of the fourth part on the cement ditch, at or west of said long flume, or at one place, for each on the old ma ditch. Parties hereto agree that the water belonging to parties west of the east line of Section 3 and west of its due south extension, and all water represented and controlled as herein apportioned by party of the first part and by old users not under contract, if so requested and without reference to location of land may be dropped from the cement ditch from said main flume into the old main ditch, subject to right of the Azusa Land and Water Company to use and control for water power as herein after provided. That such use and control of the water for water power shall be such that when so used for water power by the Azusa Land and Water Company, it shall be dropped by the said company at such point, that it can be taken up by the parties in interest and used by them in the old main ditch, the squatters' ditch, and the pipe line provided for on Cerritos Avenue and from said old main ditch, such part as the parties are entitled to and may be desired may be dropped from the old main ditch into and run in the natural water course south by west, to within about 260 yards of the center of the track of the Santa Fe Railroad; thence south to within twenty-five feet of the said center line; thence west parallel to said line to the intersection with the squatters' ditch, said water hereafter to be used as part of the water power hereinafter provided for, and for irrigation had from the old main ditch, and for three years as much as may be desired by parties not exceeding their proportions in the squatters' ditch. Said Azusa Land and Water Company further grants a right of way for a pipe of capacity sufficient to carry, not exceeding 500 inches of water, measured under four inch pressure from the point on the old main ditch where the forth prolongation of Cerritos Avenue intersects said ditch, thence south along said prolongation through said Avenue to the south line of the Azusa Ranch, the top of said pipe to be buried at least fifteen inches below the general surface of the ground, and completed within three years from the date hereof, and from and after said three years from the date he of all the parties hereto abandon to said

Azusa Land and Water Company all right of way for what is known as the squatters' ditch, and for that part of the old main ditch lying west of the drop for water power.

And it is further agreed and mutually understood between the parties that for the purpose of water power and mechanical purposes to be owned and enjoyed by the Azusa Land and Water Company, the said company may, as soon as it is prepared to use the said power, take from said cement ditch at a gate in the main long flume, an amount of water which added to the quantity of water belonging to the party of the fourth part and to that herein specially provided to be dropped from the cement to the old main ditch for use of other parties for irrigation, shall not, when so computed exceed in amount two-thirds of the water belonging to and at such time possessed by the east side of the river out of said first 1700 inches, and convey the same into the old main ditch, and during the fall and transfer, the Azusa Land and Water Company shall control and use the same for power and mechanical purposes as it may desire, but said company shall not deteriorate the quality, or diminish the quantity in said use. The water in excess of the 7-10ths of the said first 1700 inches of the water, unless in the judgment of the owner, or the company with which he is associated, is required for irrigation by the owner or the irrigation company with which he is associated, shall flow by the east line of the Azusa Ranch in the ditch of the Azusa Water Development and Irrigation Company. That such portion of said water so dropped belonging to said parties of the fourth part as may not be desired for any purpose on said Azusa Ranch, may flow past the line of said ranch, in said old main ditch, or in the squatters' ditch for the next three years, said Azusa Land and Water Company and Azusa Agricultural Water Company having the right to divert any portion of its part of such water at any two points on said ranch, on the said main ditch, or during the transfer between the cement ditch, and the old main ditch.

The parties of the fourth part grant to the other parties hereto, the right of way for all purposes of this contract above the point of division with the third party, and also the parties of the fourth part grant to the parties hereto, other than the third party, the right of way for said cement ditch, tunnels and flumes, subject to any right of way heretofore given, and subject to and reserving to said party of the fourth part, the right for road crossings and water conduits, across said cement ditch wherever desired to run the portion of water belonging to said party as herein before stated, through and -take out the same therefrom as above set out. Parties of the first and third parts grant to each of the other parties the right of enjoyment and use with themselves of their tunnel and approaches, and said second party grants to the other parties hereto the use and enjoyment and with itself, of its tunnels, ditches and flumes to the gate provided for in the long flume of said party of the second part, and to the party of the fourth part said right to the east line of the Azusa Ranch for conveying water as provided in this agreement, but the 724ths interest now owned in said ditch by said party of the fourth part shall to that extent be used in the conveyance of said water.

The cost of protecting and defending the tide and possession of all said waters from this day forward, including the litigation now pending with parties claiming adversely to the water rights herein adjusted, and the expense of development in the canyon to the extent of \$10,000, and of constructing a pipe line of about two miles in length of sufficient capacity to carry twenty-eight hundred and eighty inches of water, miners' measurement under four-inch pressure, said pipe line not to cost exceeding twenty-seven thousand dollars, and work of development and piping to be done within two years of this date, and the expense of keeping dams, tunnels, flumes and ditches in repair to the said point of division, between the party of the third part and the other parties hereto, and the general expense incurred above the point of division, shall be paid by all the parties hereto, in the following proportions: by party of the second part, 165 parts; by party of the third part, 180 parts; by party of the fourth part, to-wit Azusa Land and Water Company, 39 parts; Azusa Agricultural Water Company, 47 parts; Kate S. Vosburg and Louise S. Macneil, 23 parts; and by old users, 266 parts, one-half the said 266 parts to be apportioned between said old users in the same proportion that

the first 1700 inches of water is divided among them, and the other half in the same proportion that the excess of water over 1700 inches is divided among them, and the cost of repairs below the first division to the gate in the long flume shall be paid in the same proportion, except that the party of the third part does not contribute thereto, and each of said parties mutually agrees with the others to pay its respective proportion of said expenditures, to and on demand of the committee of nine, selected as follows: party of the first part shall elect two members, party of the second part shall elect one member, party of the third part shall elect two members, party of the fourth part shall elect two members, and the old users under contract, with the party of the second part, as well as those not at time of election under contract, shall voting by acreage and with a right of cumulative voting elect the remaining two members. The said election of said nine members, shall, within thirty days, from the date hereof, be severally made by the respective parties, and such members' names certified to John Scott of Duarte, when- a day shall be appointed by said Scott, for the meeting and organization of the committee, and five days' notice thereof given by him by mail to each member and to any member of any party hereto for whom no representative has been certified. Said committee shall organize and shall provide for regular meetings, at least once a month, and make such regulations and provisions as it deems necessary to carry into effect, and maintain this agreement, and subsequently members of the committee shall be elected annually on the second Tuesday of January in each year thereafter.

Six members shall constitute a quorum, but no business shall be transacted that does not receive the concurrent vote of at least five members of said committee; and each party hereto shall be bound by the acts of said committee, to the extent of the work hereinbefore provided to be done by said committee, whether represented or not Said committee shall keep regular minutes of the proceedings, and regular account of all receipts and disbursements, subject to inspection of any party in interest, and shall have charge of all work of the parties hereto, in reference to water from the Duarte division box, to the source of supply, and especially of the character, construction and location of the pipe line, and of all work in the canyon and general repairs above the division with the parties of the third part, and of all litigation affecting the water, other than litigation that may arise between the parties hereto, and of all future developments, it being agreed that none of the parties hereto will enter at any point above the tunnel of the parties of the first and third parts into any independent development in said canon. It is further agreed that any of the parties hereto may free itself from assessments for the cost of development and piping, to wit: \$ 10,000 and \$27,000 by an assignment to other parties hereto, or to one of them, of the interest in said water in excess of said 1700 inches, the assignee assuring said cost, and all who fail to pay said amount assessed by said committee for developments and pipe line in 60 days after due, shall be held to have assigned the interest of said party in the water in excess of 1700 inches, to whomsoever of the parties hereto, who may pay said amounts so in default, even though part of the expenditure had been previously paid by the party in default. Said committee shall not have the power to bind any party to this agreement for any sum beyond the proportions fixed herein, nor for future developments beyond the amount fixed herein; and in contracting for said pipe line or lines, the contract shall be so drawn that each party shall be liable only for the proportions established herein; and the contractor and material man shall waive all lien and claim upon said pipe line or lines. Said committee shall provide and maintain correct division works at the lower end of the tunnel of the party of the first and third parts, so constructed as to measure to the party of the third part, the proportion of the water provided ' to be taken by it. Water gates shall be constructed on the Azusa Ranch to accurately measure the water diverted at any point of diversion under this contract. The action of said committee in the measurement of the water shall not be conclusive, but either party, upon showing error in this respect, shall have the right to have the means of measurement corrected by the committee; and if for the purpose of correcting the measurement any party hereto shall employ skilled labor, or engineers, and succeed in showing error, then the cost of such investigation shall be borne by all the parties in proportion as the other expenses are borne. Each party hereto shall pay any committee man representing it, and no claim for services shall be made by any member of said committee against any of the parties hereto, other

than the party hereto which he represents. All suits between the parties hereto relative to said water rights shall be dismissed, each party paying his own cost. The parties hereto respectively acknowledge the right of either party to further separate and divide its or their portion of said water according to their respective rights in this contract. And nothing herein shall be construed as depriving any of the parties hereto of the right to maintain a suit or action in any of the parties hereto of the right to maintain a suit or action in any court of competent jurisdiction for the enforcement or protection of his right under this agreement. This agreement shall bind the heirs, assigns and successors of the respective parties hereto.

In witness whereof, etc.

In Witness Whereof, the parties hereto have hereunto caused to be set their names and seals, this 26th day of January, 1889.

**Azusa Land and Water Company,
By J. S. Slauson, President, and James Slauson, Secretary.**

**Azusa Agricultural Water Company,
By J. S. Slauson, President, and
James Slauson, Secretary.**

Louise S. Macneil. (Seal)

Kate S. Vosburg. (Seal)

**Beardslee Water Ditch Company,
By Thomas Wardall, President, and
A. T. Taylor, Secretary.**

**Duarte Mutual Irrigation and Canal Company,
By Jno. Scott, President. (Seal) and Wm. Chippendale, Secretary.
I certify that said Company has no formal Seal.**

**Azusa Irrigating Company,
By E. F. Badger, Vice-President, and H. D. Briggs, Secretary.**

**Azusa Water Development and Irrigation Company,
By M. Baldridge, President, and Chas. E. Bemis, Secretary.
W. B. Kemper, W. E. Parker, Henry Bohannan, T. B. Goodnight, J. Loder, J. D. Bradford,
Guadalupe Ruelas, J. M. Trujillo, Samuel Willits, J. P. Hanes, L. M. McNish, C. C. Bohannan, F. M.
Bohannan, Lucy Bohannan, J. C. Jones, D. A. Ames, E. S. Harris, George Wright, C. R. Gatton,
Jessie Justice, J. B. Beardslee, W. T. Barker, R. J. Pollard, Joshua King, J. B. Reichard, Jose G.
Padilla, F. L. Hostetler, C. M. L. Hostetler, Warner L. Keller, J. Corrello, William T. Keller, Mary
A. Marshall, L. Lestrade, James M. Riley, Walter Thomason, Elmer Thomason, L. C. Pollard, by J.
W. Marshall, E. R. Thompson, George E. Gard, as attorneys in fact of said thirty-seven signers**

J. W. Marshall,

Samuel McCurdy,

H. D. Briggs,

Fred I. Smith,

William Forbes,

W. J. DeShields,

Allen Poe,

John Bohannan,

S. D. Woodworth,
Alfred Spruce,
M. Larkin,
Daniel Houser,
T. F. Griswold,
C. Vaughn,
S. Huges,
T. R. Monje,
A. M. Park,
E. R. Thompson, J
P. Bohannon,
Geo. E. Gard,
James Cleminson,
Thos. A. Smith, his Conrad A. X Smith, Mark Witness S. P. Rees, N.P.
Wm. Y. Earle, E. R. Coffman,
Geo. T. Ott,
O. Streshly,
Geo. C. Egan,
J. R. Elliott,
M. Wakefield,
G. N. Lewis, his Rafael X Montallo, Mark S. P. Rees, Witness
J. P. Wade,
Anna E. Logan.

The execution is acknowledged by the parties to the agreement.
Recorded at the request of James Slauson, November 2nd, 1889, in Book 607, page 138 of Deeds, County Recorder's office of Los Angeles County.

Footnotes

- ¹ This recommendation to add language to Article III, Section 2 was approved by Board action at the August 12, 2015 Board Meeting
- ² This recommendation to Article IV, Section 2 to add language was approved by Board action at the August 12, 2015 Board Meeting.
- ³ This recommendation to amend language in Article IV, Section 3 was approved by Board action at the August 12, 2015 Board Meeting
- ⁴ This recommendation to amend language in Article IV, Section 4 was approved by Board action at the August 12, 2015 Board Meeting.
- ⁵ This recommendation to add language in Article IV, Section 5 was approved by Board action at the August 12, 2015 Board Meeting.
- ⁶ Amendment to all language in Article IV, Section 6, to be AB240 compliant, approved by Board action at the August 12, 2015 Board Meeting.
- ⁷ Amendment to language in Article IV, Section 7, to be AB240 compliant was approved by Board action at the August 12, 2015 Board Meeting.
- ⁸ Amendment to all language in Article IV, Section 8, to be compliant with AB240 was approved by Board action at the August 12, 2015 Board Meeting.
- ⁹ Amendment to all language in Article IV, Section 11, to be compliant with AB240 was approved by Board action at the August 12, 2015 Board Meeting.

- ¹⁰ This recommendation to add language in Article IV, Section 12 was approved by Board action at the October 14, 2015 Board Meeting.
- ¹¹ This resolution was adopted at the September 14, 1995 Board Meeting
- ¹² This recommendation to add language in Article V, Section 2 was approved by board action at the August 12, 2015 Board Meeting.
- ¹³ This recommendation to add language in Article VI, Section 1 was approved by board action at the August 12, 2015 Board Meeting.
- ¹⁴ Amendment proposed at the October 10, 2002 Board Meeting. Approved at the November 14, 2002 Board Meeting.
- ¹⁵ Amendment proposed at the October 10, 2002 Board Meeting. Approved at the November 14, 2002 Board Meeting.
- ¹⁶ Amendment proposed at the October 10, 2002 Board Meeting. Approved at the November 14, 2002 Board Meeting.
- ¹⁷ This recommendation to amend language in Article VI, Section 4 was approved at the August 12, 2015 Board Meeting.
- ¹⁸ New Section proposed at the October 10, 2002 Board Meeting. Approved at the November 14, 2002 Board Meeting.
- ¹⁹ Section 4 changed to Section 5 due to the action taken at the October 10, 2002 Board Meeting. Amendment made at the November 14, 2002 Board Meeting.
- ²⁰ Section 5 changed to Section 6 due to the action taken at the October 10, 2002 Board Meeting. Amendment made at the November 14, 2002 Board Meeting.
- ²¹ Section 6 changed to Section 7 due to the action taken at the October 10, 2002 Board Meeting. Amendment made at the November 14, 2002 Board Meeting.
- ²² Proposed and made effective at the October 10, 2002 Board Meeting. Amendment made at the November 14, 2002 Board Meeting.
- ²³ Article VII, Section 6 was amended at the August 15, 1995 Board Meeting.
- ²⁴ Amendment to add language to Article VIII, Section 3, to be AB240 compliant, approved by Board action at the August 12, 2015 Board Meeting.
- ²⁵ Article VIII, Section 5 was amended at the August 12, 2015 Board Meeting.
- ²⁶ Article VIII, Section 7 titled "Dismissal of Employees" was removed in its entirety due to language added in VI Section 3. The new section Committees was incorporated in order to be compliant with AB240, and approved at the September 8, 2015 Board Meeting.
- ²⁷ Article, VII, 8 amendment proposed at the October 10, 2002 Board Meeting. Approved at the November 14, 2002 Board Meeting.
- ²⁸ Article VIII, Section 13 was amended, taking out section (b) at the September 8, 2015 Board Meeting
- ²⁹ Article IX, Section 3 was amended and approved at the August 12, 2015 Board Meeting.
- ³⁰ Article IX, Section 3 was amended and approved at the May 12, 1994
- ³¹ Article IX, Section 3 was amended and approved at the May 14, 1991
- ³² Article IX, Section 3 additional language was added at the August 12, 2015 Board Meeting
- ³³ Article X, all sections were amended and approved to incorporate AB240 at the August 12, 2015 Board Meeting