

GEORGE RANCH MUTUAL WATER COMPANY BYLAWS

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BYLAWS

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BYLAWS OF THE
GEORGE RANCH MUTUAL WATER COMPANY

**ARTICLE I
NAME AND LOCATION; DEFINITIONS**

The name of the corporation is the GEORGE RANCH MUTUAL WATER COMPANY hereinafter referred to as the "Company." The principal office of the Company shall be located in Sonoma County, California or at such other place as the Board of Directors shall designate.

The singular and plural number and masculine, feminine and neuter gender shall each include the other where the context requires.

The terms used herein shall have the meanings set forth in Article I of the Declaration of Amendment to and Restatement of the Covenants, Conditions and Restrictions of George Ranch recorded on March 12, 1996 in the Official Records of Sonoma County, California as Instrument No. 1996-0021337, as said Declaration may be subsequently amended.

**ARTICLE II
MEMBERS**

2.1 Member: Members of the Company shall be limited to the owner or owners of lots in the George Ranch subdivision, which is described in the following subdivision maps:

(a) That certain subdivision map entitled "Tract No. 609, Phase I, The George Ranch," filed on September 21, 1982 in Book 338 of Maps at pages 9-17, Official Records of Sonoma County, California (the "Official Records");

(b) That certain subdivision map entitled "Tract No. 610, Phase II, The George Ranch," filed on February 28, 1983 in Book 342 of Maps at pages 30-43, Official Records;

(c) That certain subdivision map entitled "Tract No. 611, Phase III, The George Ranch," filed on February 28, 1983 in Book 342 of Maps at pages 44-48, Official Records;

(d) That certain subdivision map entitled "Tract No. 612, Phase IV, The George Ranch," filed on February 28, 1983 in Book 345 of Maps at pages 1-7, Official Records; and

(e) Lot 56 as shown on that certain map entitled "Parcel Map No. 7327, filed on July 17, 1981 in Book 323 of Maps

at pages 44 to 45, Official Records" and the owner of any other property to which the Company supplies water in the future through expansion of its water system as approved by the Board of Directors.

2.2 Eligibility for Membership: All persons who become owners of lots or parcels of property, as defined and described in section 2.1 of this Article II shall, by reason of such ownership become members of the company and be issued one (1) membership certificate in the Company for each lot so owned. A Member who owns more than one (1) lot shall have one (1) membership and one (1) vote for each lot owned as provided in section 3.6. In addition, the Board of Directors of the Company is empowered to consider special circumstances from time to time not covered herein and based on such circumstances issue memberships and determine eligibility for becoming a member. No fractional membership, interests, or shares shall be issued by the Company.

2.3 Termination: The Board of Directors may, by affirmative vote of two-thirds (2/3) of all members of the Board, suspend or expel a member for cause after an appropriate hearing and by majority vote of those present at any regularly constituted meeting, and may cancel the membership certificate of any member who becomes in default in the payment of assessments for the period fixed in Article VII of these Bylaws.

2.4 Resignation: Any member may cancel his membership or membership certificate but such cancellation shall not relieve the member so cancelling of the obligation to pay any dues, assessments, or other charges.

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

2.6 Transfer of Memberships: Memberships in this Company are transferable or assignable only with the transfer or assignment of the lot or parcel of land to which they are appurtenant. A membership is automatically transferred upon transfer of ownership of a lot to the new owner of said lot.

2.7 Rights and Liabilities: No member of the Company shall have any right, title or interest in or to any property or assets of the Company, except upon dissolution.

2.8 Assignment: Membership certificates of the Company are not transferable or assignable except as specifically provided in these Bylaws.

2.9 Transfer Fee: All transfers of such certificates shall be subject to a transfer fee and to the payment of all indebtedness to the Company of the member whose certificate is transferred. The transfer fee shall be established by the Board and shall not exceed the reasonable costs of transfer.

2.10 Limited Liability: To the fullest extent provided by law, the property of the members shall be exempt from execution or other liability for any debts of the Company and no member shall be liable or responsible for any debts or liabilities of the Company.

ARTICLE III MEETING OF MEMBERS AND VOTING

3.1 Annual Meeting: The annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Company's fiscal year. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday (excluding Saturday and Sunday).

3.2 Special Meetings: Special meetings of the members shall be called at any time by a majority of the Board of Directors, or by the Chairman of the Board, the president, or upon written request of the members representing five percent (5%) of the total voting power of the Company.

3.3 Notice and Place of Meetings: Written notice of each meeting of the members shall be given by, or at the direction of, the secretary, by mailing a copy of such notice, first class mail, postage prepaid, at least ten (10) but not more than ninety (90) days before such meeting to all members, addressed to the member's address last appearing on the books of the Company, or supplied by such member to the Company for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. If action is proposed to be taken at any meeting for approval for any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s): (a) removing a Director without cause; (b) filling vacancies in the Board of Directors by the members; (c) amending the Articles of Incorporation; (d) approving a contract or transaction in which a Director has a material financial interest. The failure of member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

3.4 Quorum: The presence either in person or by proxy, at any meeting, of members entitled to cast fifty-one percent (51%) of the total voting power of the company, shall constitute a quorum for any action except as otherwise provided in these Bylaws. If, however, such quorum shall not be present or represented at any meeting, a majority of the members entitled to vote thereat shall have power to adjourn the meeting to a date not less than five (5) days and not more than thirty (30) days later, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that twenty-five percent (25%) of the total voting power of the Company remains present in the person and/or by proxy, and provided further that any action taken shall be approved by a majority of the members required to constitute a quorum. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for annual meetings.

3.5 Proxies: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot, or upon receipt of written notice by the secretary of the board of the death or judicially declared incompetence of a member prior to the counting of the vote, or upon the expiration of eleven (11) months from the date of the proxy.

3.6 Voting: Members shall be entitled to one (1) vote for each lot owned (to which water is supplied by the Company) on each matter submitted to a vote of the members. No distinction shall be made between the members except that a member must be in good standing in order to vote his membership certificate. When more than one (1) person holds an interest in any lot, the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot. The vote cast by any one owner shall be conclusively presumed to be the vote of all of the owners of that lot.

3.7 Action Without Meeting: Any action that may be taken at any annual or special meeting of members (except the election of Directors may be taken without a meeting in

accordance with the provisions of California Corporations Code §§ 7513 or 7516.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number: The affairs of this Company shall be managed by a Board of five (5) Directors, all of whom must be members of the Company.

4.2 Term of Office: At the first meeting of the Company the members shall elect five (5) Directors for a term of one (1) year, and at each annual meeting thereafter the members shall elect five (5) Directors for a term of one (1) year. Unless vacated sooner, each director shall hold office until the director's term expires and a successor is elected.

4.3 Removal; Vacancies: In the event of death, removal or resignation of a Director, his successor shall be selected by a majority of the remaining members of the Board or by a sole remaining Director, and shall serve for the unexpired term of his predecessor. The members may elect a Director at any time to fill any vacancy not filled by the Directors. The Board may appoint a Director to fill a vacancy created by removal of a Director, but only with the vote or written consent of a majority of the voting power of the Company.

4.4 Compensation: No Director shall receive compensation for any service he may render to the Company. However, any Director may be reimbursed for his actual expenses, if reasonable, incurred in the performance of his duties.

4.5 Indemnification of Officers and Directors: The Company shall indemnify any present or former director, officer, employee or other agent of the Company to the fullest extent authorized under California Corporation Code § 7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of any undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was entitled to indemnification under this provision.

**ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS**

5.1 Nomination: Nomination for election to the Board of Directors may be made by a Nominating Committee. Notice to the members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Company. The Nominating committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes.

5.2 Election: The first election of the Board shall be conducted at the first meeting of the Company. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The persons receiving the largest number of votes shall be elected. Voting for Directors shall be by secret written ballot, unless the election is uncontested in which case a ballot may be cast for the Board by voice vote.

**ARTICLE VI
MEETINGS OF DIRECTORS**

6.1 Regular Meetings: Regular meetings of the Board of Directors shall be held without call at such place and at such hour as may be fixed from time to time by the Board. Ordinarily, such meetings shall be held monthly, though the Board may set meetings as infrequently as every six (6) months if business to be conducted does not justify more frequent meetings. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday, excluding Saturday and Sunday. Notice of the time and place of meetings shall be communicated to Directors not less than four (4) days prior to the meeting, provided, however, that notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting. Immediately following each annual meeting of members the Board of Directors shall hold a regular meeting for the purposes of organization, election of officers and the transaction of other business. Notices of such meeting is not required.

6.2 Special Meetings: Special meetings of the Board of Directors shall be held when called by written notice signed by the president, vice president or secretary of the Company, or by any two Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Company. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

6.3 Quorum: A majority of the Directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by a majority of the required quorum for that meeting.

6.4 Open Meetings: All meetings of the Board shall be open to all members, but members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

6.5 Executive Session: The Board may, with approval of a majority of the Board present at a meeting in which a quorum for the transaction of business has been established, or, if all Board members are present, by a majority vote of the Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Company is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.6 Telephone Meetings: Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. Arrangements

shall be made to enable any member who desires to listen to the telephone meeting of the Board, to be able to do so.

6.7 Waiver of Notice: The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.8 Notice of Adjourned Meeting: Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment, and shall be posted at a prominent place within the common area.

6.9 Action Without Meeting: Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent of consents shall be filed with the minutes of the proceedings of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Duties: It shall be the duty of the Board of Directors to take the following actions on behalf of the Company:

A. Maintenance: Maintain the wells, pumps, storage tanks, distribution lines, fire hydrants and other equipment in the water supply, distribution and fire protection system installed on the property and owned by the Company (collectively the "water system"), provided that each owner shall, at his or her sole cost and expense, maintain, repair and replace the distribution line that services that owner's lot. The Company shall perform and record flow tests for its fire protection system as may be required by the California Department of Corporations or other governmental agency with appropriate jurisdiction and shall maintain the test results with the Company's books and records;

B. Provide Water: Provide water to the lots of all members of the Company through the water system, subject to the enforcement provisions described in section 7.5;

C. Insurance: Maintain adequate insurance on Company property;

D. Assessments: Fix, levy, collect and enforce assessments as set forth in Section 7.3 hereof;

E. Expenses and Obligations: Pay all expenses and obligations incurred by the Company in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Company;

F. Records: Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting which such statement is request in writing by one-fourth (1/4) of the members; keep adequate and correct books and records of account, minutes of proceedings of its members, Board and committees, and a record of its members giving their names and addresses;

G. Supervision: Supervise all officers, agents and employees of the Company, and to see that their duties are property performed;

H. Enforcement: Enforce these Bylaws; and

I. Compensation to Third Parties: Require that any compensation paid to any person providing goods or services to the Company is reasonable in all respects and does not exceed the normal and customary amount paid for goods and services of similar quality in Sonoma County.

7.2 Powers: The Board of Directors shall have power to:

A. Manager: Employ a manager;

B. Adoption of Rules: Adopt rules;

C. Assessments, Liens and Fines: Levy and collect assessments and impose fines as provided in Section 7.3 hereof;

D. Enforcement: Enforce these Bylaws and/or the Declaration provided that at least fifteen (15) days' prior notice of any charges or potential discipline or fine and the

reasons as therefore are given to the member affected, and that an opportunity is provided for the member to be heard, orally or in writing before the imposition of the discipline or fine, said hearing to be before the Board. Notice shall be given as required by Corporations Code § 7341.

E. Contracts: Contract for goods and/or services;

F. Delegation: Delegate its authority and powers to committees, officers or employees of the Company or to a manager employed by the Company. The Board may not delegate to the manager the authority to make expenditures for capital additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an owner or his tenant, lessee, guest or invitee with the Declaration or rules and regulations promulgated by the Board, or to make a decision to levy monetary fines, impose special assessments against individual lots, temporarily suspend an owner's rights as a member of the Company or otherwise impose discipline following any such hearing; to make a decision to levy annual or special assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of assessments. The Board may delegate to a manager any of its other duties, powers or functions. Any such delegation shall be revocable by the Board at any time. Any such manager may be either a person or firm. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board;

G. Water System: Maintain and operate the water system supplying domestic water to all lots; and

H. Rationing of Water: Ration water among the lots (including the imposition of restrictions) if there is not sufficient capacity in the system to meet the demands thereon, provided that use of for domestic consumption (other than irrigation of landscaping) and fire protection shall be given priority treatment for rationing purposes. The restrictions may limit the amount of water that may be used, the time that water may be used, the purpose for which water may be used or any combination of the foregoing. Any rationing measures shall be applied in a uniform and nondiscriminating manner. The Board may terminate water service to any lot if the occupants thereof violate the restrictions. In addition, the Board may take such legal action as may be necessary to enforce the rationing measures, including without limitation, action for injunctive relief, and shall be entitled to recover all costs and attorneys' fees incurred in connection therewith.

7.3 Assessment: Assessments for the installation, depreciation, maintenance and operation of the water system may be levied by the Board on the members from time to time as deemed necessary and any such assessments shall be a personal debt of the owners of the lot against which the assessment is levied and shall be delinquent thirty (30) days from the due date of the assessment. Assessments may be levied for an incremental period selected by the Board and collected in installments throughout the period. The assessments shall be allocated equally among the lots. The Board has the right at its discretion to require that water meters be installed on each lot, at each lot owner's expense, and that assessments be allocated among the lots based on a formula that includes a base charge allocated equally among the lots and an additional charge allocated proportionately among the lots based on usage so that each owner bears his or her equitable share of all costs in connection with the operation, maintenance, repair and replacement of the system. The allocation selected by the Board shall be conclusive and binding on the members, provided any three (3) members holding three or more votes may notify the Board in writing within sixty (60) calendar days after an assessment is levied by the Board that they disagree with the allocation made by the Board. In such event the matter shall be submitted to the American Arbitration Association for resolution in accordance with its commercial rules. The decision of the arbitrator(s) shall be conclusive and binding on the parties.

7.4 Rate Structure: The Board shall establish a rate structure and assessment schedule which will result in the accumulation and maintenance of a fund for the repair and replacement of the water system which shall bear a reasonable relationship to the cost of furnishing water. Unimproved lots within the area to be served (other than the common area parcel) shall bear a proportional share of the cost of the repair and maintenance of the water system, and the cost of maintaining the repair and replacement fund.

7.5 Enforcement and Liens: Each member is obligated to pay to the Company annual and special assessments. Any assessments which are not paid within thirty (30) days after the due date shall be delinquent and shall bear interest at the rate of twelve percent (12%) per annum from the due date until paid, and shall incur a later payment penalty in an amount to be set by the Board from time to time, not to exceed the maximum permitted by applicable law. If a member is delinquent in the payment of assessments, the Company may bring an action to enforce collection of any delinquent assessments, and in any such action shall be entitled to recover its costs, including reasonable attorneys' fees. In addition, without limiting any other remedy described herein, the Board may: (i) sell and transfer the delinquent owner's right to receive water as if such right was

not appurtenant to the owner's lot, and the purchaser thereof shall acquire the right to receive water as provided in the Articles and Bylaws; or (ii) declare that the delinquent owner's shares are forfeited to the company; or (iii) impose a lien for delinquent assessments and enforce the lien utilizing the procedures described in California Civil Code § 1367. Any such sale or forfeiture shall not relieve the owner of any liability for delinquent assessments, late charges, interest and costs of collection. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the water system or abandonment of his or her lot.

ARTICLE VIII OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers: The officers of this Company shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, and a chief financial officer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.3 Term: The officers of this Company shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments: The Board may elect such other officers as the affairs of the Company may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal: Any officer may be removed from office (but not from the Board, if he is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.7 Duties: The duties of the officers are as follows:

A. President: The President shall be the General Manager and Chief Executive Officer of the Company, preside at all meetings of the Board of Directors; and the member; shall see that orders and resolutions of the Board of Directors; and the members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes; and shall have such other duties and powers as may be required or described by the Board, by these Bylaws, or by law.

B. Vice President: The Vice President shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

C. Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Company together with the addresses, and shall perform such other duties as required by the Board, or by law.

D. Chief Financial Officer: The Chief Financial Officer shall receive and deposit in appropriate bank accounts all monies of the Company and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes of the Company; shall keep proper books of account; shall prepare and shall distribute financial statements to each member as follows:

(1) An annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (a) a balance sheet as of the end of the fiscal year; (b) an operating (income) statement for the fiscal year; (c) a statement of changes in financial position for the fiscal year; (d) any information required to be reported under § 8322 of the California Corporations Code;

(2) If the annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Company that the statements were prepared without audit from the books and records of the Company.

ARTICLE IX COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its duties. No committee, regardless of Board resolution, may: (a) take any final action on matters which, under the Nonprofit Corporation Law of California, also requires members' approval; (b) fill vacancies on the Board of Directors or in any committee; (c) amend or repeal Bylaws or adopt new Bylaws; (d) amend or repeal any resolution of the Board of Directors; (e) appoint any other committees of the Board of Directors or the members of those committees; (f) approve any transaction to which the Company is a party and in which one or more Directors have a material financial interest.

ARTICLE X BOOKS AND RECORDS

10.1 Inspection by Members: The membership register (including names, addresses and voting rights), books of account and minutes of meetings of the members, of the Board, and of committees shall be made available for inspection and copying by any member of the Company, or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Company or at such other place within the project as the Board shall prescribe.

10.2 Rules for Inspection: The Board shall establish reasonable rules with respect to:

A. Notice to be given to the custodian of the records by the member desiring to make the inspection;

B. Hours and days of the week when such an inspection may be made;

C. Payment of the cost of reproducing copies of documents requested by a member.

10.3 Inspection by Directors: Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Company and the physical properties owned or controlled by the Company. The right of inspection by a Director includes the right to make extracts and copies of documents, at the expense of the Company.

**ARTICLE XI
REPAIRS REQUESTED BY COUNTY**

The Board shall be responsible for making any necessary repairs or alterations to its water supply facilities; when requested by the appropriate agency of the County of Sonoma having jurisdiction thereover.

**ARTICLE XII
AMENDMENTS**

12.1 Amendment by Members: These Bylaws may be amended, by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total voting power of the Company. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

12.2 Amendment by Board: Subject to the right of members to adopt, amend or repeal Bylaws, as hereinabove provided, these Bylaws may be adopted, amended or repealed by the Board of Directors as provided in California Corporations Code § 7150.

**ARTICLE XIII
FISCAL YEAR**

The fiscal year of the Company shall begin on the first day of July and end on the thirtieth (30th) day of June of every year.

CERTIFICATE

I certify that I am the duly elected and acting Secretary of the George Ranch Mutual Water Company, a California nonprofit mutual benefit corporation, that the above bylaws are the bylaws of this corporation as adopted by the affirmative vote of fifty-one percent (51%) or more of the total voting power of the corporation memberships.

This Certificate is executed under penalty of perjury on _____, 19____, within the State of California.

Secretary


CERTIFICATE OF SECRETARY

I, Nancy Peterson, hereby certify that:

1. On Sept. 28, 1996, I was the Secretary of the George Ranch Mutual Water Company, a California nonprofit mutual benefit corporation (the "Corporation"); and

2. The foregoing Bylaws, consisting of fifteen (15) pages, are a true and correct copy of the Bylaws of the Corporation as duly adopted by the members of the Corporation at the Annual Meeting on Sept. 28 1996. These Bylaws have been in effect since the date of their adoption and have not been further amended.

Dated: Sept. 12, 2005


Nancy Peterson, Secretary