

BY-LAWS

July 12, 2000

of

AUSTIN CREEK MUTUAL WATER COMPANY,
A California Corporation

Article I

NAME

The name of this corporation shall be the Austin Creek Mutual Water Company and for convenience shall be referred to hereinafter as the "Company."

Article II

OFFICES

Section 1. Principal Office. The principal office for the transaction of the business of the Company is hereby fixed and located at 5985 Cazadero Hwy., County of Sonoma, State of California. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said county. Any such change shall be noted on the by-laws opposite this section, or this section may be amended to state the new location.

Section 2. Other Office. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the Company is qualified to do business.

Article III

OBJECTS AND PURPOSES

The objects and purposes of the Company shall be to develop, maintain, distribute, supply and deliver water for domestic, municipal and related uses to its property owners (members) at cost and to no one except its members and (in emergency situations only) to the state or any agency or department thereof, or to any school district, or to any other mutual water company at cost. All related costs of delivery to users other than members shall be borne by the recipient users. The Company shall be authorized to do whatever may be deemed necessary, conducive, incidental or advisable to accomplish and promote said objects or purposes, including but not limited to:

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

or related to the objects and purposes of the Company.

Article IV

MEMBERS

Section 1. Members. Members of the Company shall be limited to the owner or owners of each lot or parcel of real property located near Cazadero, Sonoma County, California, particularly all lots situated within the boundaries of the subdivisions as described in the attached maps of such subdivisions.

A purchaser of any lot or parcel of land under contract shall also be deemed to be an owner for the purposes of these by-laws. A lot or parcel of land held as community property shall qualify the owners thereof for one (1) Certificate of Membership only in the Company, which Certificate may be in the name of both or either spouse. One Certificate of Membership shall be issued to the record owner of each lot as of July 12, 2000, converting each one outstanding share to one Certificate of Membership regardless of the number of original lots which may have been combined to form a buildable lot.

Section 2. Eligibility for holding Certificates of Membership. All persons who become owners of lots or parcels of property, as defined and described in Section 1 of this Article IV may, by reason of such ownership, become members of the Company and be issued one Certificate of Membership in the Company for each lot or parcel so owned. The aggregate number of Certificates of Membership shall not exceed 500. In addition, the Board of Directors shall issue new certificates to any newly created legal parcel(s) within the service area only; provided that the costs of obtaining new memberships or any necessary improvements or extensions of the delivery system are born by the owner(s) of the new parcel(s).

Section 3. Voting Rights. Each member shall be entitled to vote for each membership certificate held, on each matter submitted to the vote of the members. No distinctions shall exist between the members except that a member must be in good standing in order to vote his membership certificate as provided in Article XIII, Section 3 hereinbelow. Members may cumulate their votes for Directors as provided in Corporation Code section 2235.

Section 4. Termination. The Board of Directors may, by affirmative vote of two-thirds of all members of the board, suspend or expel a member for cause after an appropriate hearing and by majority vote of those present at any regularly constituted meeting, and may cancel the Certificate of Membership of any member who becomes default in the payment of assessments for the period fixed in Article XIII of these by-laws.

Section 5. Resignation. Any member may cancel his membership or memberships by filing a written cancellation with the secretary but such cancellation shall not relieve the member so canceling of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.

Section 6. Reinstatement. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may reinstate such former member's Certificate of Membership upon such terms and related expenses as the Board of Directors may deem appropriate.

Section 6. Voting. Each member shall be entitled to one vote upon each matter submitted for each Certificate of Membership held. All questions shall be decided by a vote of majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the Articles of Incorporation or these By-Laws. The manner of voting may be by ballot, mail, or any reasonable means provided in these By-Laws and amendments thereto or as directed by the Board of Directors.

Section 7. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Article VI

DIRECTORS

Section 1. General Powers. The business and affairs of the Company shall be managed by a Board of Directors of the Company which exercise all of the powers of the Company except such as are by law, the Articles of Incorporation or these By-Laws conferred upon or reserved to the members.

Section 2. Number, Tenure and qualifications. The number of Directors shall be five (5). The tenure of office of each Director shall be as follows: Two (2) Directors shall hold office for one year each, and the remaining three (3) Directors shall hold office for two years each. The successor of each original Director to be elected thereafter shall hold office for a two-year term. Each Director shall so hold office until his successor shall have been elected at a meeting of members, and qualified. The time of election shall be as specified by the Board of Directors and these By-Laws for the annual meeting of members. Directors will be elected by a plurality vote of the members present at the election meeting.

Section 3. Vacancies. Vacancies may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office until his successor is elected at an annual meeting of Directors.

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

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

Section 4. Compensation and Fees. Directors and members of Committees may receive reimbursement for expenses as may be fixed or determined by the Board of Directors.

\$1000 per yr.

Article VII

MEETING OF DIRECTORS

Section 1. Place of Meeting. The Board of Directors may designate the place of meeting within the county of Sonoma, as the place of meeting for any regular or special meeting. If no designation is made, the place of meeting shall be the principal office of the Company, but if all members of the Board shall be present at any time and place and consent to the holding of a meeting before or after the meeting, such a meeting shall be valid without call or notice, and at such meeting any Company action may be taken.

Section 2. Organizational Meeting. Immediately following each annual meeting of members, the Board of Directors shall hold a regular meeting for the purposes of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 3. Regular Meetings. Other regular meetings shall be held without notice on the second Thursday of each month at 7:00 o'clock p.m. of said day or on a day and time determined by the Board of Directors. Provided should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such meetings is hereby dispensed with.

Section 4. Special Meetings. Special meetings of the Board may be called by the President, or if he is absent or unable or refuses to act, by the Vice-President, or by any two Directors.

Notice of any special meeting shall be given at least five (5) days previous thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Company.

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

Section 5. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

Section 6. Action. The act of a majority of the Directors present at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws.

Section 7. Notice of Adjournment. Notice of the time and place of holding an adjourned

Section 7. Transfer of Memberships. Memberships in the Company are transferable or assignable only with the transfer or assignment of the lot or parcel of land to which it attaches.

Section 8. 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.

The private 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 V

MEETINGS

Section 1. Place of Meeting. The Board of Directors may designate any place within the town of Cazadero (95421) as the place of meeting for any annual meeting or for any special meeting. If no designation is made, the place of meeting shall be the principal office of the Company; but if all the members shall meet at any time and place and consent to the holding of a meeting before or after the meeting, such meeting shall be valid without call or notice, and at such meeting any Company action may be taken.

Section 2. Annual Meeting. The annual meeting of members shall be held on the third Saturday in the month of February of each year, beginning with the year 1986 for the purpose of electing Directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. If the day fixed for the annual meeting shall fall on a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Company and in the event of such failure the annual meeting shall be held within a reasonable time thereafter.

Section 3. Special Meetings. Special meetings of the members may be called by resolution of the Board of Directors or by members holding not less than one fifth of the total voting power, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.

Section 4. Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty days nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon his default, by any Director or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Company, with postage thereon prepaid. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting.

Section 5. Quorum. Twenty (20%) percent of the total number of members present in person or proxy, shall constitute a quorum.

meeting need not be given to absent Directors if the time and place fixed at the meeting adjourned.

Section 8. Waiver of notice. The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the Directors not present signs a written Waiver of Notice or a consent to holding such meeting, or if an approval shall be filed with the company records or made a part of the minutes of the meeting.

Section 9. Adjournment. A quorum of the Directors may adjourn any Directors meeting, then meet again at a stated day and hour, provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Article VIII

OFFICERS

Section 1. Generally. The officers of the company shall be a President, First Vice-President, Second Vice-President, a Secretary and a Treasurer. The Company may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 2 of this article. One person may hold two or more offices, except those of President and Secretary.

Section 2. Election and Term of Office. The officers of the Company shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4. Terms of Employment. The Board of Directors may appoint, terminate, discharge, and provide for the duties and powers of such officers, agents and employees including removal with or without cause, as in the sole judgment of the Board shall be advisable subject to the provisions of this article and the provisions of written contracts of employment, if any.

Any officer may resign at any time by giving written notice to the Board, or to the president or to the secretary of the Company. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignations shall be governed by the terms of the employment agreement, if any.

Section 5. Chairman of the Board. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meeting of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board or prescribed by the By-Laws.

Section 6. President. The powers and duties of the President are as follows:

(a) He shall be the principal executive officer of the Company, and, unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board.

(b) He may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-Laws to some other officer or agent of the Company or shall be required by law to be otherwise signed or executed.

(c) He shall in general perform all duties incident as may be prescribed by the Board from time to time.

Section 7. First Vice- President. In the absence of the President, or in the event of his inability or refusal to act, the First Vice- President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions placed upon the President. The First Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board or the President.

Section 8. Second Vice-President. In the absence of the First Vice President, or in the event of his inability to act, the Second Vice-President shall perform the duties of the First Vice-President and, when so acting, shall have all the powers of and be subject to all the restrictions of the First Vice-President as enumerated hereinabove.

Section 9. Secretary. The duties of the Secretary are as follows:

(a) He shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose.

(b) He shall see that all notices are duly given in accordance with these By-Laws or as required by law.

(c) He shall be custodian of the corporate records and of the seal of the Company and affix the seal of the Company to documents, the execution of which on behalf of the Company under its seal is duly authorized in accordance with the provisions of these By-Laws.

(d). He shall keep a register of the names and post office addresses of all members.

(e) He shall have general charge of the books of the Company.

(f) He shall keep on file at all times a complete copy of the Articles of Incorporation and By-Laws of the Company containing all amendments thereto (which copy shall always be open to the

inspection of any member and, at the expense of the Company, forward a copy of the By-Laws and of all amendments thereto to each member) and

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

Section 10. Treasurer The duties of the Treasurer are as follows:

(a) He shall have charge and custody of and be responsible for all funds and securities of the Company.

(b) He shall be responsible for the receipt of, and the issuance of receipts for, all moneys due and payable to the Company and for the deposit of all such moneys in the name of the Company in such banks as shall be selected in accordance with the provisions of these By-Laws, and

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

Section 11. Subordinate Officers The Board of Directors may appoint such other officers as the business of the Company may require including but not limited to assistant secretaries and assistant treasurers, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board may from time to time determine.

Article IX

COMMITTEES

Section 1. Committees of Directors The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Company; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him by law.

Section 2. Other Committees Other committees not having and exercising the authority of the Board in the management of the Company may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Company, and the President shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interest of the Company shall be served by such removal.

Section 3. Term of Office Each member of a committee shall continue as such until the next annual meeting of the members of the Company and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. Chairman. One member of each committee shall be appointed Chairman by person or persons authorized to appoint the members thereof.

Section 5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. Rules. Each committee may adopt rules for its own government not inconsistent with these By-laws or with the rules adopted by the Board of Directors.

Article X

SEAL

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

Article XI

FINANCIAL MATTERS

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 2. Checks, drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Company shall be signed by such officer or officers, agent or agents, employee or employees of the company and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Deposits. All funds of the Company shall be deposited from time to time to the credit of the company in such bank or banks as the Board may elect.

Section 4. Fiscal Year. The fiscal year of the Company shall begin on the first day of each and every year and shall end on the last day of that year.

Section 5. Gifts. The Board of Directors may accept on behalf of the company any contribution, gift, bequest or devise for the general purposes or any special purpose of the Company.

Article XII
CERTIFICATES OF MEMBERSHIP

Section 1. Certificates of Membership. Certificates of Membership of the Company shall be in such forms as the Board of Directors shall designate and shall be issued over the signature of the President and Secretary. A certificate book shall be maintained which shall contain a margin on which shall be shown the number, date and name of the certificate holder, as set forth in the corresponding certificate.

Section 2. Certificates of Membership. Certificates of Membership of the Company shall be appurtenant to the lots and real property as the same are described and set forth above in Article IV of these By-Laws and shall not be transferable except with the conveyance of the lot or other real property for which said certificate is issued. No fractional certificates shall be issued. Such conveyance shall effect the transfer to the certificate appurtenant to that particular lot or real property to its purchaser. All Certificates of Membership shall be assessable for such purposes, and in such categories and amounts as set forth in Article XIII hereafter.

The Board of Directors shall establish a rate structure which will result in the accumulation and maintenance of an emergency fund for the repair and replacement of the existing water supply, distribution and fire protection system only ("the repair and replacement fund") with an initial cap of \$100,000 (one hundred thousand dollars). This cap may be increased only with the approval of the members.

The rate charged, moreover, must bear a reasonable relationship to the cost of furnishing water. Unimproved lots included within the area to be served must bear a proportionate share of the cost of repair and replacement of the water supply, distribution and fire protection systems, as well as a proportionate share of the cost of maintaining the repair and replacement fund.

Section 3. Certificates of Membership. Certificates of Membership of the Company are not transferable or assignable except as specifically provided in these By-Laws.

Section 4. All transfers of such certificates shall be subject to the payment of all indebtedness to the Company of the members whose certificate is transferred, plus attorney fees and other collection fees.

Article XIII

ASSESSMENTS

Section 1. Assessments for the installation, depreciation, maintenance and operation of the pipelines and water system owned by the Company may be levied by the Board on the members in the categories set forth hereinbelow from time to time as deemed necessary and any such assessments shall be delinquent ninety (90) days from the date of the call therefore mailed postage prepaid from the office of the Company to such members at their addresses on file with the Secretary.

Section 2. Each member of the Company shall pay an annual maintenance and repair assessment of \$100 (one hundred dollars) or a fee as determined by the Board of Directors.

In addition, water usage per member shall be determined by meter reading, and a fee of \$2.00 (two dollars) or as determined by the Board of Directors, shall be charged per unit of water used.

Section 3. Delinquent assessments shall be subject to such penalties as may be fixed by the Board, including, without limitation, the discontinuance of water service to the lot or parcel of any delinquent member upon ten (10) days notice thereof addressed to the last-known address of such member on the records of the Company. All legal costs incurred in collection of past due accounts shall be borne by the delinquent member including interest. Failure of any member to pay any assessment when due may in the discretion of the Board constitute a forfeiture of the right to use water from the Company system; and such member shall be deemed not to be in good standing nor entitled to exercise his vote until all of his delinquent assessments are paid in full. However, the defaulting member shall be entitled to a hearing before the Board at a time and place fixed by the Board, and the decision of the Board at any such hearing shall be final.

Article XIV

OPERATION OF WATER SYSTEM

Section 1. The Board of Directors may, at their discretion, appoint a watermaster whose duties may include, but are not limited to (a) supervising and assisting in the installation of pipelines, water connections and other works of the Company and (b) supervising the distribution of water. Subject to the approval of the Directors, the watermaster may employ such outside contractors as may be necessary. He shall render a report to the President and Directors annually (or more frequently if so required) setting forth the result of Company operations and shall perform such other duties as the President of the Board may require.

Section 2. A water service connection shall be installed by the Company within a reasonable time after issuance of a building permit (s) by applicable governmental agencies.

Section 3. The Directors shall promptly send necessary letters to county agencies as required by members for purposes legally related to their properties.

Article XV

MISCELLANEOUS

Section 1. Waiver of Notice. Any member or Director may waive in writing any notice of a meeting required to be given by these By-Laws, the Articles of Incorporation or the General Corporation Law of California. The attendance of a member or Director at any meeting shall constitute a waiver of notice of such meeting by such member or Director, except in case a member or Director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Section 2. Rules and Regulations The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these By-Laws, as it may deem advisable for the management of the business and affairs of the Company.

Section 3. Accounting System and Reports. The Board shall cause to be established and maintained, in accordance with generally accepted principles of accounting, an appropriate accounting system and books of account.

Section 4. Record Date and Closing of Certificate of Membership Book. The Board of Directors may fix a time, in the future, not exceeding thirty (30) days prior to the date of any meeting of members, or the date for any other action affecting the members as a record date for the determination of the members entitled to notice of and to vote at such meeting, or entitled to receive the benefit of any such other action and in such case only members of record on the date so fixed shall be entitled to notice of and to vote at such meeting or to receive such benefit, as the case may be, notwithstanding any transfer of any Certificates of Membership on the books of the Company after any record date fixed as aforesaid.

Section 5. Inspection of Company records. The Certificate of Membership book, the books of account, the By-Laws, and the minutes of proceedings of members and Directors and of the executive, if any, and other committees of the Directors shall be open to inspection upon the written demand of any member at any reasonable time, and for a purpose reasonably related to his interest as a member, and shall be exhibited at any time when required by the demand of any members' meeting of ten percent of the members represented at the meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a members' meeting shall be made in writing upon the President, Secretary or General Manager, if any, of the Company.

Section 6. Reports to Members. Annual reports as required by law, if any, will be given to members and in any event the Board of Directors may cause to be sent to the members annual or other periodic reports in such form as may be deemed appropriate by the Board.

Section 7. Construction and Definitions Unless the context otherwise requires the general provisions, rules of construction, and definitions contained in the California General Corporation Law shall govern the construction of these By-Laws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural number and the plural number includes the singular, and the term person includes corporation as well as a natural person.

Article XVI

DISSOLUTION

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

Article XVII

AMENDMENTS

Section 1. Except as otherwise provided by law or by the Articles of Incorporation, new By-Laws may be adopted or these By-Laws may be amended or repealed by the vote or the written assent of members entitled to exercise a majority of the voting power of the Company.

Section 2. Subject to the right of members to adopt, amend or repeal By-Laws, as hereinabove provided, By-Laws other than a By-Law or amendment thereof changing the authorized number of Directors, may be adopted, amended or repealed by the Board of Directors.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That, I am the duly elected and acting Secretary of AUSTIN CREEK MUTUAL WATER COMPANY, a California corporation, and

2. That the foregoing By-Laws comprising 13 pages constitute the By-Laws of said corporation as duly adopted at a meeting of the Board of directors thereof duly held.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 12th day of *July*, 2000.

Marcia L. Stow

Secretary