

BY-LAWS

OF

NORTH FORK WATER COMPANY

(Amended 2017)

INDEX

TO

BY-LAWS

	<u>Page</u>
ARTICLE I. General Provisions.....	1
Section 1.01 Definitions.....	1
Section 1.02 Purpose	1
Section 1.03 Amendments.....	1
Section 1.04 “2017 Code”.....	1
Section 1.05 Provisions of Former By-Laws.....	2
 ARTICLE II. Shareholders.....	 2
Section 2.01 Annual Meeting	2
Section 2.02 Special Meetings	2
Section 2.03 Place of Meeting.....	2
Section 2.04 Notice of Meeting	2
Section 2.05 Form of Notice and Statement of Purpose	3
Section 2.06 Shareholders Entitled to Notice.....	3
Section 2.07 Shareholders Entitled to Vote	3
Section 2.08 Business to be Transacted.....	4
Section 2.09 Manner of Voting at Shareholders’ Meeting.....	4
Section 2.10 Election of Directors and Cumulative Voting	4
Section 2.11 Directors Elected at Special Meeting.....	4
Section 2.12 Inspectors of Elections.....	5
Section 2.13 Changing Time of Annual Meeting	5
Section 2.14 Quorum of Shareholders.....	5
 ARTICLE III. Directors	 6
Section 3.01 Number.....	6
Section 3.02 Qualifications and Term.....	6

INDEX–CONTINUED

	<u>Page</u>
Section 3.03 Organization Meeting	6
Section 3.04 Regular Meetings	6
Section 3.05 Special Meetings	6
Section 3.06 Notice of Special Meeting	7
Section 3.07 Place of Directors' Meeting	7
Section 3.08 Waiver of Notice and Consent to Meetings	7
Section 3.09 Vacancies	8
Section 3.10 Quorum	8
Section 3.11 Business to Transacted	8
Section 3.12 Compensation of Directors	8
ARTICLE IV. Notices	8
Section 4.01 Applies to all Notices	8
Section 4.02 By Whom Given, Method of Making, and Signing	9
Section 4.03 Where Notice is to be Mailed	9
ARTICLE V. Officers	9
Section 5.01 Number of Officers	9
Section 5.02 President	10
Section 5.03 Vice President	10
Section 5.04 Secretary	10
Section 5.05 Chief Financial Officer	11
Section 5.06 General Manager	11
Section 5.07 Duties of Officers May Be Delegated	11
ARTICLE VI. Certificates and Transfer of Shares	11
Section 6.01 By Whom Signed	11
Section 6.02 Form	12
Section 6.03 Registration of Pledge	12
Section 6.04 Effect of Registration of Pledge	12

INDEX–CONTINUED

	<u>Page</u>
Section 6.05 Charges and Liens on Shares	13
Section 6.06 No Transfer While Unpaid Liens	13
Section 6.07 Assessments and Liens.....	13
Section 6.08 Penalties, Interest and Collection Costs.....	13
Section 6.09 Record Holder Liable for Tolls and Charges.....	13
ARTICLE VII. Powers of Board of Directors	14
Section 7.01 Seal	14
Section 7.02 Share Register.....	14
Section 7.03 Financial Reports.....	14
Section 7.04 Rules and Regulations	15
Section 7.05 Transfer Fee.....	15
Section 7.06 Compulsory Exchange of Certificates	15
Section 7.07 Dismissal of Employees.....	15
Section 7.08 Delegation of Powers.....	16
Section 7.09 Tolls and Assessments	16
Section 7.10 Delinquency and Interest	16
Section 7.11 Penalties	16
Section 7.12 Suspension of Services.....	16
Section 7.13 Measuring and Diversion Devices	17
Section 7.14 Regulation of Water Service.....	17
Section 7.15 Extension of Distributing System	18
Section 7.16 Restriction on Water Use	18
Section 7.17 Lease of Shares and Land.....	18
ARTICLE VIII. General Corporate Matters	19
Section 8.01 Indemnification	19
Section 8.02 Maintenance and Inspection of Share Register	19
Section 8.03 Maintenance and Inspection of Bylaws.....	19
Section 8.04 Maintenance and Inspection of Other Corporate Records.	19
Section 8.05 Inspection Rights of Directors.....	20
Section 8.06 Annual Report to Shareholders	20

BY -LAWS

OF

NORTH FORK WATER COMPANY

ARTICLE I.
General Provisions

Section 1.01 Definitions

“Company” means NORTH FORK WATER COMPANY, a corporation that was incorporated on January 13, 1885, under the laws of the State of California.

“Board” means the board of directors of the Company.

“General Corporation Law” is used herein with the same meaning as in Section 100 of the Corporations Code of California, and as set forth in Division 1 of Title 1 of said Code, and may be amended from time to time.

“Articles of Incorporation” includes amendments and means the articles of incorporation as last amended.

The singular includes the plural and the masculine pronoun includes the other genders.

Section 1.02 Purpose

The purpose of Company is to furnish, supply and distribute water at cost to and for its shareholders for irrigation purposes in proportion to the number of shares of stock held by them respectively.

Section 1.03 Amendments

These by-laws may be repealed or amended or new by-laws adopted by (a) the vote of the shareholders entitled to exercise a majority of the voting power at a meeting of shareholders, or (b) the written assent of shareholders entitled to exercise a majority of voting power, filed with the secretary.

Section 1.04 “2017 Code”

These by-laws as originally adopted, or as subsequently amended, shall be known and may be referred to as the “2017 Code of By-Laws of NORTH FORK WATER COMPANY” and also as the “2017 Code.”

Section 1.05 Provisions of Former By-Laws

When new by-laws are adopted pursuant to Section 1.03, they shall replace and supersede all prior by-laws and amendments thereto.

ARTICLE II.

Shareholders

Section 2.01 Annual Meeting

Unless changed as provided in Section 2.13, a meeting of shareholders to be known as the annual meeting shall be held each year on the first Tuesday in April at the hour of two o'clock P.M. for the purpose of electing a board of directors, and other purposes.

Section 2.02 Special Meetings

Special meeting of the shareholders for any purpose or purposes whatsoever may be held at any time upon call made by (a) the president, or (b) the Board by resolution adopted by majority vote, or (c) written assent of a majority of all acting directors, filed with the secretary, or (d) written assent of one or more shareholders collectively holding not less than ten percent (10%) of the voting power of the Company, filed with the secretary.

Section 2.03 Place of Meeting

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, 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 not more than twenty-five miles distant from the principal office, and in such instance said meeting or meetings shall be held at the place so fixed or designated.

Section 2.04 Notice of Meeting

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

First: By delivering such notice personally: or

Second: By mailing such notice by first class mail, 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 Company's principal address; or

Third: By electronic transmission by the Company in compliance with Corporations Code section 20. Notice shall not be given by electronic transmission

by the Company under this Section 2.04 after either of the following: (1) the Company is unable to deliver two consecutive notices to the shareholder by that means, or (2) the inability to so deliver the notices to the shareholder becomes known to the secretary, any assistant secretary, the transfer agent, or other person responsible for giving of the notice.

Whenever a shareholder shall in writing give the Company an address for the purpose of notice, the same shall be deemed the shareholder's "address appearing on the books of the company," as such expression is herein used. One method of service may be used as to some shareholders and the other as to other shareholders.

Section 2.05 Form of Notice and Statement of Purpose

Notice of any meeting shall specify the place, the day and the hour of meeting. In the case of special meetings the general nature of the business to be transacted shall be stated in the notice. In the case of an annual meeting, such notice shall also state those matters which the Board, at the time of the mailing of the notice, intends to present for action by the shareholders. Any proper matter may be presented at an annual meeting of shareholders though not stated in the notice, provided that unless the general nature of a proposal to be approved by the shareholders relating to the following matters is stated in the notice or a written waiver of notice, any such shareholder approval will require unanimous approval of all shareholders entitled to vote:

- (i) A proposal to approve a contract or other transaction between the Company and one or more of its directors or any corporation, firm or association in which one or more of its directors has a material financial interest or is also a Director;
- (ii) A proposal to amend the Articles;
- (iii) A plan of conversion pursuant to Section 1152 of the General Corporation Law or a proposal to approve the principal terms of a reorganization as defined in Section 181 of the General Corporation Law; and
- (iv) A proposal to wind up and dissolve the Company.

Section 2.06 Shareholders Entitled to Notice

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 5:00 o'clock P.M. on the day immediately preceding the day of mailing; and 5:00 o'clock P.M. 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 2.07 Shareholders Entitled to Vote

Five o'clock P.M. on the tenth day next preceding the day first appointed for the shareholders' meeting is hereby fixed as the time for the close of 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 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 close of stock books and adjournment of the meeting on the day first appointed therefor. If a meeting by 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 2.08 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 to the Articles of Incorporation, and action upon or with respect to any or all questions and matter requiring the vote, consent or approval of the shareholders, or with respect to which the shareholders are permitted to act, subject, however, to applicable provisions of law requiring notice to the shareholder of special proposals, including but not limited to the special matters set forth in Section 2.05. At a special meeting, any business may be transacted of the general nature specified in the notice thereof, but not otherwise.

Section 2.09 Manner of Voting at Shareholders' Meetings

At meeting 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 at least one shareholder shall demand a vote by written ballot.

Section 2.10 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 a shareholder may vote for one or more directors but may not cumulate his votes and cumulative voting shall not be allowed in an election of directors.

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 2.11 Directors Elected at Special Meeting

Whenever for any reason no election of directors has been had for more than one year, a Board 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 meeting 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 2.12 Inspectors of Elections

Inspectors or an inspector of elections may be appointed in the manner and with the effect provided for in the General Corporation Law, and shall have and exercise the powers and authority there provided subject to the provisions of law, the by-laws, and the rules and regulations.

The Board may make and from time to time change rules and regulations for the conduct of elections or any election, and for voting upon or with respect to any question or matter submitted to the shareholders for vote, consent or assent.

The Board may by rule or resolution prescribe the form of ballots and may provide ballots for use of the shareholders at elections or any election or in taking any vote; and may, in the case of ballots to be used in an election of directors, provide for printing thereon the name or names of candidates or nominees, and may also provide for voting by mail and for the nomination of directors prior to the election.

Such rules may in addition to any other matters provide for the time or times and the method of filing proxies, casting ballots and the tabulation and certification of votes. All such rules and regulations shall operate impartially, fairly and equally.

Whenever the filing of proxies is limited to a time prior to the meeting, and whenever in an election of directors the polls are to open or close at a specified time, notice of such limitation, opening or closing shall be stated in the notice of such meeting.

Section 2.13 Changing Time of Annual Meeting

The Board may advance or postpone (and thereby change) the time of any annual meeting (as fixed elsewhere in these by-laws) by not more than sixty (60) days whenever it shall appear to the Board that such change is necessary or desirable. Such change shall be effected by resolution adopted by majority vote of the Board or by written assent of a majority of the members, filed with the secretary prior to giving notice of the meeting, and thereupon the time for that annual meeting shall be that so fixed by the Board and notice of the meeting shall be given accordingly.

Section 2.14 Quorum of Shareholders

The presence in person or by proxy of the holders of more than 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, unless otherwise provided in the Articles.

ARTICLE III.

Directors

Section 3.01 Number

The number of directors shall be seven.

Section 3.02 Qualifications and Term

A director need not be a shareholder. The term of office of a director shall begin immediately upon his election; and each director so elected shall hold office until his successor is elected or until he resigns or is removed from office, whichever shall first transpire.

Section 3.03 Organization Meeting

A meeting of the Board (to be known as the “organization meeting”) shall be held immediately following adjournment of the shareholders’ meeting at which the Board elected for the purpose of organizing, electing and appointing officers. Any other business may also be transacted at such meeting. No notice of such organization meeting need be given.

If not held at the time appointed or if reorganization be not effected or completed at such meeting, the business of reorganization shall be transacted or completed at the first regular or special meeting held thereafter, and if not then completed, then at any meeting regardless of when held.

With consent of all the directors such organization meeting may be held at any time. Attendance at and participation in the proceedings of the meeting shall be deemed such consent. The consent of any director not present or participating shall be written and filed with the secretary and made a part of the minutes, either before, during, or after the holding of the meeting.

Section 3.04 Regular Meetings

Meetings of the Board (to be known as “regular meetings”) shall be held without call at a time appointed therefor by resolution adopted by majority vote of the Board. It shall not be necessary to give notice of regular meetings, nor of the business to be transacted; provided, if the time for holding regular meetings be changed, written notice of that fact shall be given to those directors who were absent at the time of the adoption of the resolution effecting the change. If the time appointed for a regular meeting fall upon a legal holiday, it shall be held at the same hour on the next succeeding business day.

Section 3.05 Special Meetings

Special meetings of the Board may be held from time to time upon call by the president, or if he be absent or be unable or refuse to act, by any vice-president; or secretary, and it shall be the duty of the president, or if he be absent or be unable or refuse to act, then of any vice-president or secretary, to call a special meeting upon the written request of two directors, specifying the purpose; and in the event neither the president nor vice-president

nor the secretary shall call such meeting upon said request, then the same may be called by said two directors. Any call shall be delivered to the secretary or person whose duty it is to give notice.

Section 3.06 Notice of Special Meeting

Special meetings of the Board shall be held upon four (4) days' notice by mail or forty-eight (48) hours' notice delivered personally or by telephone including a voice messaging system or by electronic transmission by the Company.

Section 3.07 Place of Directors' Meetings

Meetings of the Board, whether regular or special, shall be held at such place within the State of California as has been designated from time to time by resolution of the Board or by written consent of all members of the Board; and, in the absence of such designation shall be held at the principal office of the Company.

Section 3.08 Waiver of Notice and Consent to Meetings

Directors may waive any and all provisions of law and of these by-laws, in respect of call, notice and place of meetings or any of them, and may consent to the holding of any meeting without call and notice or either of them and without regard to the place where held; and any director may waive call, notice and place of meeting, or any of them, in respect of himself and may consent to the holding of any meeting without call and notice, or either of them, and without regard to the place where held.

Any regular or special meeting of directors held with or upon the unanimous consent or approval of all the members of the Board (and attended by not less than a quorum) shall be valid without regard to call and notice or either of them and without regard to the place where held, and the proceedings of any such meeting shall be valid and constitute the act of acts of the Board as fully and conclusively as though taken and had at a meeting duly called and noticed and held at the place duly appointed therefor. Attendance at and participation in the proceedings of any meeting (attended and participated in by not less than a quorum), without objection to the regularity or sufficiency of or lack of call and notice or either or the place where held, shall constitute and be a waiver in respect of such matters and an irrevocable consent to the holding of such meeting on the part of and by each director so attending and participating without objection.

Such herein authorized or referred to waiver and consent or either of any director not present at such meeting may be made or given either before, during or after the meeting, and may be made and evidenced in any of the following ways, to wit:

- (a) In writing filed with the secretary either before, during or after the meeting;
- (b) Subscribing at the foot of the minutes of such meeting an approval of such minutes;
- (c) Approval without objection of the minutes of such meeting at a subsequent meeting of the Board attended by the director who was absent from the first mentioned meeting and whose waiver or consent is to be secured.

Section 3.09 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 not filled by the directors.

Section 3.10 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. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction. Approval of the Company's indemnification of a director or other person shall be made only if authorized in the specific case upon a determination that indemnification of the agent is proper approved in the manner authorized by subdivision (e) of Corporation Code Section 317.

Section 3.11 Business to be Transacted

It shall not be necessary to state in any notice whether of a regular or special meeting the nature of the business to be transacted thereat, and any business that the Board may have transacted at a regular meeting may be transacted with like effect at a special meeting, unless otherwise provided by law.

Section 3.12 Compensation of Directors

Directors shall not receive compensation for their services at meetings of the Board unless its payment has been first authorized. At the annual meeting, the shareholders may fix the compensation of directors for the ensuing year, which may be for all services or for attending meetings only, and may be a stated amount for each meeting attended or a salary. Should the shareholders fail to fix such compensation, it may be fixed by resolution adopted by vote of not less than two-thirds of the authorized number of directors. A director may be allowed fair remuneration to be fixed or approved by the Board for services other than attending meetings when no compensation therefor has been fixed. A director shall be allowed his reasonable expenses when engaged in the business of the Company, to be audited, allowed and paid as other claims against the Company.

ARTICLE IV.

Notices

Section 4.01 Applies to All Notices

Except as in conflict with law or other provisions of these by-laws, the provisions of this article are intended to and shall apply to all notices required or permitted to be given, including notice of shareholders' meetings, directors' meeting and assessments.

Section 4.02 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 Board. 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 president or the Board; 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, typing, facsimile transmission, electronic transmission, or by one or more or all such methods, or in part by one method and in other parts by another or other methods.

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 4.03 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 at Highland, California, or in a United States Post Office within not more than fifty (50) 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 Company's principal address. The notice shall be deemed to have been deposited in said Post Office if delivered to a letter carrier making mail deliveries from said Post Office, or when deposited in a letter box or other mail receptacle from which mail is regularly collected from said Post Office.

ARTICLE V.

Officers

Section 5.01 Number of Officers

The officers of the Company (herein called "regular officers") shall be elected by the directors and shall be a president, a vice-president, a secretary, a chief financial officer and a general manager. The Board may also appoint one or more additional vice-presidents, one or more assistant-secretaries, one or more assistant chief financial officers, and such other officers as the Board deems desirable for the transaction of the business of the Company. The president and the vice-president shall be members of the Board, and if either shall cease to be a director at any time, he shall, ipso facto, cease to be such president or vice-president. No other of said officers need be members of the Board. Any two or more of said officers, except those of president and secretary, may be held by the same person. Regular officers shall be elected annually at the organization meeting of the Board, or whenever the Board shall determine; provided, they may always be elected whenever a vacancy exists. Other officers may be elected at any meeting of the Board. Unless sooner removed by the Board, or unless he resigns or becomes or is disqualified, an officer

shall hold office until his successor is chosen and qualified. Any officers, whether elected or appointed by the Board, may be removed at any time by the affirmative vote of a majority of the whole Board, and each officer shall take and hold office subject to the right of removal by the Board.

Section 5.02 President

The president shall be the chief executive officer of the Company and as such shall:

- (a) Preside at all meetings of shareholders and directors. Such shall not prevent him from voting upon any question either at a shareholders' meeting or as a director at a directors' meeting;
- (b) Unless otherwise directed by the Board, sign as president all deeds and instruments in writing which have been first approved or authorized by the Board;
- (c) Have, subject to advice of the Board, general and active supervision of the business and affairs of the Company, and shall have power to cause the orders and resolutions of the Board to be carried into effect.

Section 5.03 Vice-President

The vice-president shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties as the Board shall prescribe.

Section 5.04 Secretary

The secretary shall:

- (a) Attend all meetings of the Board and all meetings of the shareholders and record all votes and minutes of all proceedings in a book (to be known as the "minute book") to be kept for that purpose. He shall 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 out and countersign all certificates issued, and affix the corporate seal to all papers requiring a seal;
- (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 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.

Section 5.05 Chief Financial Officer

The chief financial officer shall:

- (a) Have custody of the corporate funds and securities and keep full and accurate account 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;
- (b) Disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and render to the president and Board, at the regular meetings of the Board, or whenever the Board may require it, and 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;
- (c) Give the Company a bond if required by the Board 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 company, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Company.

Section 5.06 General Manager

The general manager shall be at all times subject to direction of the Board; and, subject to such direction, he shall take charge of, control, look after and attend to the maintenance of all property, the distribution and delivery of water, the hiring of, discharging of, and performance of duties and or by the employees, the billing and collection of water charges, and the observance of the rules and regulations. He shall perform such other duties as pertain to the office of general manager of as may be prescribed by the Board.

Section 5.07 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, one or more or all of the powers or duties of such officer to any other officer or to any director, provided a majority of the entire Board concur therein.

ARTICLE VI.

Certificates and Transfers of Shares

Section 6.01 By Whom Signed

Certificates for shares shall be signed by the president or vice-president and by the secretary or an assistant-secretary if such assistant be thereto authorized by the Board.

Section 6.02 Form

Subject to the provisions of law and these by-laws, certificates for shares shall be of such form and device as the Board may direct.

The person to whom issued shall be denominated therein as the “record holder.”

A voluntary encumbrance of the shares is herein called a “pledge.”

The person in whose name a pledge of shares may be registered 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, the registered pledgee (if and) and any transferee or person claiming an interest in the shares, or any of them evidenced thereby.

Section 6.03 Registration of Pledge

Upon satisfactory evidence of a pledge, the Company shall note the transaction (with the name of the pledgee) on its books, or on the share certificate. One or more pledges may be so registered, their priority being indicated by the expressions “first pledgee”, “second pledgee” and so forth.

Section 6.04 Effect of Registration of Pledge

When any pledge has been so registered, the shares shall be held, rights in respect thereof exercised and the pledge released or transferred upon and subject to the provisions, and in the manner and with the effect, as follows:

The record holder shall be deemed the shareholder as regards the Company, and as such shall represent the shares and exercise all rights, vote, consent and assent in respect thereof, and be entitled to receive the water allocated to such shares.

The rights and interest of the record holder and of any successor and the title to such shares may be transferred upon the books of the Company and a new certificate issued subject to the pledge without the act, consent or endorsement of the pledgee.

When a pledge has been so registered, and the address of the pledgee appears on the books or records of the Company, the Company will not sell or forfeit the pledged shares for nonpayment of an assessment unless at least ten (10) days prior to such sale or forfeiture there is mailed to such pledgee at said address of the pledgee, or in lieu thereof, delivered to the pledgee at the Company’s principal office address, a copy of the notice of assessment given with respect to such assessment, or in lieu of such copy, a notice stating the fact of the assessment and the time and place for the sale or forfeiture of delinquent shares. The Company shall also deliver to the pledgee in the same manner notice of any denial of the right to receive water and any forfeiture of the shares to the Company.

The pledgee shall not be personally liable for the payment of tolls, water charges, or assessments, unless payment thereof has been assumed or guaranteed by the pledgee, or service rendered upon or to the order of the pledgee.

The interest and rights of the pledgee, as such, may be transferred on the records of the Company and a new certificate issued (upon cancellation of the old) showing the new pledgee, or a pledge may be released without the act, consent or endorsement of the record holder or of anyone appearing to be the owner of said shares.

Section 6.05 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 or 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 which is at the time of foreclosure provided by law of the State of California and the Articles for foreclosure of a 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 Company's principal office address. No demand for payment or other notice of sale to the record holder or to any person appearing by the records of the Company to have an interest in said shares need be given other than as hereinbefore provided. At any such sale or sales, the Company may bid and purchase.

Section 6.06 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 6.07 Assessments and Liens

The Board shall provide that each certificate shall bear on its face a statement that the shares evidenced thereby are assessable and subject to liens and personal action and suit, and also such other provisions in connection therewith as the Board deems proper, subject to the law, the Articles of Incorporation, and these by-laws.

Section 6.08 Penalties, Interest and Collection Costs

Each shareholder shall be liable for payment of and shall pay to the Company, upon 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 attorneys' 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.

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 term assessment, charge or toll shall be used, such term 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 6.09 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, 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 VII.

Powers of Board of Directors

The Board, subject to restrictions of law, the Articles of Incorporation, and these by-laws, shall exercise all of the powers of the Company; and without prejudice to or limitation upon its general powers, the Board shall have and is hereby given full power and authority, in its sole discretion (to be exercised by resolution adopted by majority vote of the Board members present at a meeting duly held at which a quorum is present, whether denominated a rule or regulation of otherwise), in respect of the matters and as hereinafter set forth, to wit:

Section 7.01 Seal

To adopt, use and change 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.

Section 7.02 Share Register

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

Section 7.03 Financial Reports

To prescribe the form and provide for making and giving financial statements and reports to the shareholders in accordance with generally accepted accounting standards.

Section 7.04 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 the Articles of Incorporation, or these by-laws, by the Board deemed essential or desirable for the management or conduct of the Company's business and affairs, or the exercise of the Board's powers. Said rules and regulations may in addition to any other things provided for and regulate any matter in this article referred to and which is authorized to be determined by the Board.

Section 7.05 Transfer Fee

To provide for the payment of and fix the amount of a transfer fee for the transfer of shares upon the books of the Company; provided, such transfer fee shall not exceed _____ dollars (\$__.00) for each new certificate issued.

Section 7.06 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 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 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. 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 shall be liable to the Company for all damages incurred by it from such refusal or failure, including reasonable attorneys' fees incurred by the Company in enforcing such duty.

Section 7.07 Dismissal of Employees

To dismiss any employee of the Company (whether regular or temporary) and terminate his employment regardless of the period of employment, whether express or implied, without liability on the Company other than for compensation for services actually performed to the time of dismissal and pro-rated (if that be necessary) at the rate provided for in the contract, or otherwise agreed upon or payable; and regardless of whether so stated in the contract, or at the time of hiring, the power of the Board to dismiss an employee of the Company as herein provided shall be deemed a part of every employment and every contract of employment with

the Company, whether such contract of employment be written or verbal; and no officer, manager, superintendent, or other representative of the Company shall have any authority to employ any person other than upon and subject to the right of the Board to terminate such employment with the Company at any time without liability resulting therefrom; provided, the Board shall have power to waive such right of dismissal in any hiring by the Company for a period of not in excess of one year when the contract is in writing and shall contain an express waiver of this provision and shall have been expressly authorized by resolution of the Board.

Section 7.08 Delegation of Powers

To delegate to any zanjero, 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.

Section 7.09 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 power of the Board to determine what part of the revenue of the Company shall be raised by assessments and what part by tolls or charges and what amount or items shall be charged to current operating expenses and what to permanent additions or betterments.

Section 7.10 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 ten percent (10%) per annum.

Section 7.11 Penalties

To provide for the imposition and enforcement of a penalty for violation of the rules and regulations of the Company not exceeding in any instance the sum of _____ Dollars (\$_____.00).

Section 7.12 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 and 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.

Section 7.13 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 shareholders 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 such gate, hydrant, weir or meter shall be installed and/or maintained at the expense of the shareholder or shareholders using the same. Any such appliance shall be under the control of the Company and be deemed a part of the Company's distributing system.

No shareholder, by virtue of the ownership of any share, 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 to the shareholder.

Section 7.14 Regulation of Water Service

Subject to Section 6.05 hereof, 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 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;
- (b) The time when delivery shall begin and end each season or year;
- (c) The times during the season when delivery is to be made, and for delivery in heads upon recurring periods, and the amount delivered at any time, and the minimum and maximum number of shares in respect of which delivery will be made at on place or at one time;
- (d) The notice required for and conditions under which delivery is to be made;
- (e) That any stockholder not taking the water allotted to his shares at the time provided therefor shall forfeit or lose his right to the delivery of that water.
- (f) That water forfeited pursuant to Section 7.14(e) shall become "surplus water" and upon approval by the Board shall be delivered for use by shareholders who have declared a need for the water, but shall not be delivered to lessees of shares.

Section 7.15 Extension of Distributing 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; and the Board 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 discretion of the Board.

Section 7.16 Restriction on Water Use

The water system of the Company is designed to serve water for agricultural use and not for domestic use. Water distributed through it is and will be subject to contamination and may at any time or place be unfit for human consumption. Therefore, unless properly treated in accordance with all applicable legal requirements, water delivered by the Company may be used for agricultural and other non-potable uses, but shall not be used for domestic purposes. "Domestic purposes" means the direct use of water from the Company's water system for normal household uses, e.g., drinking, cooking, bathing, and the filling of swimming pools. In case of violation of this section, water may be withheld by the Company from any shareholder guilty of such violation, and such withholding may be made and continue under any or all shares owned by such shareholder until such shareholder shall assure to the Board to its satisfaction (whether by written agreement, construction of physical work tending to prevent domestic use or treat the water delivered by the Company, or otherwise) that such shareholder will not use water to be delivered by the Company for domestic purposes unless said water will be properly treated.

Section 7.17 Lease of Shares and Land

- (a) The Company may deliver water at cost to any lessee of its shares where the lease is in writing, signed by the owner of the shares and the lessee thereof and approved by the Board.
- (b) The Company may deliver water at cost to any land leased by a shareholder to a person not a shareholder of the Company, provided the lease is in writing, signed by the shareholder and the lessee of the land and approved by the Company.

ARTICLE VIII.

General Corporate Matters

Section 8.01 Indemnification.

The Company will, to the maximum extent permitted by the General Corporation Law, have power to indemnify each of its agents against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the Company, and will have power to advance to each such agent expenses incurred in defending any such proceeding to the maximum extent permitted by that law. An “agent” of the Company includes any person who is or was a director, officer, employee, or other agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a corporation that was a predecessor corporation of the Company or of another enterprise serving at the request of such predecessor corporation.

Section 8.02 Maintenance and Inspection of Share Register

The Company shall keep at its principal office a record of the names and addresses of all shareholders and the number of shares held by each shareholder. The record of shareholders shall be open to inspection on the written demand of any shareholder or holder of a voting trust certificate at any time during usual business hours for a purpose reasonably related to the holder’s interests as a shareholder or holder of a voting trust certificate. Any inspection and copying under this Section 8.02 may be made in person, by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 8.03 Maintenance and Inspection of By-laws

The Company shall keep at its principal office the original or a copy of these by-laws as amended to date. These by-laws shall be open to inspection by any shareholder during regular office hours.

Section 8.04 Maintenance and Inspection of Other Corporate Records

The minutes of proceedings of the Shareholders, Board, committees of the Board, and the accounting books and records shall be kept at the principal office of the Company or at such other place or places as designated by the Board. The minutes shall be kept in written form, and the accounting books and records shall be kept either in written form or in a form capable of being converted into written form. Such minutes and accounting books and records shall be open to inspection on the written demand of any shareholder or holder of a voting trust certificate at any time during usual business hours for a purpose reasonably related to the holder’s interests as a shareholder or holder of a voting trust certificate. Any

inspection and copying under this Section 8.04 may be made in person, by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 8.05 Inspection Rights of Directors

A director shall have the absolute right during regular office hours to inspect all books, records and documents of every kind, and the physical properties of the Company. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 8.06 Annual Report to Shareholders


For so long as there are fewer than one hundred (100) shareholders of the Company, the requirement of an annual report to shareholders referred to in Corporations Code Section 1501 is expressly waived. However, nothing in this provision shall be interpreted as prohibiting the Board from issuing annual or other periodic reports to the shareholders, as the Board considers appropriate.

NORTH FORK WATER COMPANY

CERTIFICATE OF SECRETARY TO 2017 CODE OF BY-LAWS

I, Secretary of NORTH FORK WATER COMPANY, a corporation, hereby certify that the foregoing 2017 Code of By-laws were approved by a vote of the shareholders entitled to exercise a majority of the voting power at a meeting of the shareholders held on April 4, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand as such secretary of said corporation this 20 day of September, 2017.

A handwritten signature in blue ink, consisting of a stylized first name and a surname, written over a horizontal line.

Secretary, North Fork Water Company