LAKE MORENA VIEWS MUTUAL WATER COMPANY, INC.
Incorporated March, 1946

Articles of Incorporation
and
By-Laws

Revision 1971

For purposes of these rules and regulations, (Article VIII) the Lake Morena Views Mutual Water Company, Inc. shall be governed by the CURRENT S.D. County Code.

I - That the name of said corporation is "LAKE MORENA VIEWS MUTUAL WATER COMPANY, INC."

II - That the purposes for which said corporation is formed are: To supply to its shareholders only, at cost and not for profit, water for any and all beneficial uses; to acquire for such corporate uses all the water, water rights, canals, flumes, reservoirs, lands and other property, things in action, rights-of-way, personal property, pipes, chattels, fixtures, choses in action, and to enlarge and further develop a water system, and to acquire any and all property, real and personal, for the use of said corporation as aforesaid, by purchase, appropriation or in any other lawful manner. All the shareholders shall be entitled to share in the use of water and in everything of value, use or benefit arising out of, or in any way connected with the property, of or belonging to said corporation, in such proportion as the amount of his, her or their shares shall bear to the amount of all the shares issued; provided that the enjoyment of such use may be regulated by the By-Laws of the corporation and such reasonable rules and regulations as may from time to time be adopted. No share of stock shall be issued, held or voted until the same shall have been fully paid up at par. The use of water represented by any share of stock in this corporation shall be appurtenant to the lands hereinafter described under the provisions to be made in the By-Laws and under reasonable rules and regulations; and no water owned or controlled by the corporation shall be sold, distributed, supplied or delivered to any person, firm or corporation who is not the owner of a share or shares of the corporation. Certificates issued for shares of stock shall describe the particular parcel of land to which it is appurtenant. The By-Laws shall provide for the sale and distribution of said shares of stock in such manner that each share issued and sold shall be appurtenant to a definite lot, parcel or tract of land contained within and forming a part of the following lands:

> The NE 1/4; the West half of the SE 1/4; the SW 1/4; and the south half of the NW 1/4, Section 20, Township 17 South Range 5 East, in San Diego County, California.

The current expense of ordinary repairs and of the operation and management of said system, and the running expenses of said corporation shall be paid from tolls and charges to be collected from actual use of water, pro rata, according to the amount used and according to the provisions of the By-Laws and reasonable rules and regulations adopted by the Board of Directors in force from time to time, provided that a minimum toll may be charged to any user of water. Such tolls and charges for water furnished may be made liens upon the land to which delivered. In addition to said charges, assessments may be levied on said shares of stock for the purposes and in the manner provided by law for all corporations, and assessments may be levied upon said shares, whether or not fully paid. If any shares shall become delinquent by default of payment of any charge and/or assessments, the right to receive water shall be denied the holder of such delinquent shares and the said delinquent shares shall be forfeited to the corporation. Upon payment of all delinquent charges and/or assessments and the resulting penalties, said shares shall be re-issued to the lawful owner of the appurtenant property only. All water rights and/or water service shall thereupon be re-established. Stock evidenced by shares shall be transferrable only with the transfer of real property to which it is attached except in the case of reversion to the company occasioned by delinquent charges and/or assessments as above described

III - The County in this State where the principle office for the transaction of business of said corporation will be located is San Diego County, California.

IV - The number of shares which may be issued shall be 2400 shares, and each share shall have a par value of $1.00, and the aggregate par value of all shares shall be $2400.00. All of said stock shall be common stock.

V - The number of Directors of the corporation shall be three, and the names and residences of the persons who are appointed to act until the first annual meeting of shareholders or until the selection and qualifications of their successors, are as follows:

Vern H. Spice	Campo, California
John Elfers	Chula Vista, California
Gustave L. Molchan	Campo, California

IN WITNESS WHEREOF, we have hereunto set our hands this 5th day of March, 1946.

s/ Vern H. Spice
s/ John Elfers
s/ Gustave L. Molchan

Notarial seal Mabel G. Lay (Commission expires March 25, 1949)

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State of California
Office of Secretary of State
Endorsed Filed in the office of the Secretary of State of California
March 25, 1946

s/ Frank M. Jordan
Secretary of State

by s/ Robert V. Jordan
Assistant Secretary of State

State Seal

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County Clerk J. B. McLees
Seal
April 8, 1946

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LAKE MORENA VIEWS MUTUAL WATER COMPANY, INC. 1971 Revision
By-Laws

Article I - SHAREHOLDERS

Sec. 1 - Meeting of Shareholders.
The annual meeting of the shareholders of the Lake Morena Views Mutual Water Company, Inc. shall be held at 1:00 o'clock p.m. on the first Sunday of April of each year, at the principle office of the corporation. Exception: Easter Sunday, in which case the meeting will be the second Sunday.

Sec. 2 - Special Meetings.
Special meetings of the shareholders, for any purpose or purposes whatsoever, may be called at any time by the President or by the Board of Directors, or by any two or more members thereof or by one or more shareholders holding not less than one-tenth (1/10) of the shares of the company.

Sec. 3 - Place of Meeting.
All meetings of the shareholders shall be held at the principle office of the Company; provided that any meeting may be held at any hall; or other convenient or suitable meeting place in the city or community in which said principle office is situate, and which is fixed, or appointed, as the place for meetings, or for that meeting, from time to time, and at any time, by resolution of the Board of Directors adopted by majority vote.

Sec. 4 - Notice of Meeting.
Written notice of each meeting of shareholders, whether annual or special, shall be given to each shareholder entitled to notice, not more than thirty (30) days, nor less than ten (10) days, before the meeting, in the following way:

(a) by sending a copy of the notice through the mail, charges prepaid, to his address appearing on the books of the Company for the purpose of notice, and if no address be supplied, then addressed and mailed to the place where the principle office of the Company is situated.

Sec. 5 - Form of Notice and Statement of Purpose.
Notice of any meeting shall specify the place, the day and the hour of the meeting. In the case of special meetings, the general nature of the business to be transacted shall be stated in the notice, but in the case of the annual meeting, need not be stated.

Sec. 6 - Shareholders Entitled to Notice.
All notices of any meeting shall be mailed on the same day and at the same time. Where notice of any shareholders' meeting is to be mailed, notice shall be given only to those who appear from the stock records as registered holders at 5:00 o'clock P.M. on the day immediately preceding the day of mailing; and 5:00 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.

Art. I - SHAREHOLDERS

Sec. 7 - Shareholders Entitled to Vote.

Five o'clock P.M. on the fifth day next preceding the day first appointed for a 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 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 adjounment thereof. No transfer of shares shall be made on the stock records of the Company during the period elapsing between said close of stock books and adjournment of the meeting on the day first appointed therefor. If a meeting be adjourned to a subsequent date, the stock books shall open upon adjournment so as to permit transfer, but not so as to affect the right of voting, determined as above provided.

Sec. 8 - Business to Be Transacted.

At the annual meeting, a Board of Directors shall be elected, and such other corporate business as shall come before the meeting may be transacted, 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 matters requiring the vote, consent or approval of the shareholders, or with respect to any or all questions and matters requiring the vote, consent or approval of the shareholders, or with respect to which the shareholders are permitted to act. At a special meeting any business may be transacted of the general nature specified in the notice thereof, but not otherwise.

Sec. 9 - Manner of Voting At Shareholders' Meetings.

Every shareholder shall have the right to vote, either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the corporation. At all meetings of shareholders, all questions, other than an election of directors, except as otherwise expressly provided by statute or by these by-laws, shall be determined by a majority vote of the shares represented at the meeting, and all voting shall be viva voce, unless a majority in voting power of the shares represented shall demand a vote by written ballot. Elections for directors need not be by ballot, except upon demand made by a shareholder at the election, and before the voting begins.

Sec. 10 - Inspectors of Elections.

a. Inspectors, or an Inspector, of Elections may be appointed in the manner and with the effect provided for in said Chapter VI of the General Corporation Laws, 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.

b. The Board of Directors 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.

c. The Board, by rule or resolution, may prescribe the form of ballots for elections, or any election, or to be used for any vote; 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.

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

e. Whenever the filing of proxies is limited to a time prior to thirty (30) minutes after the time appointed for a meeting, and whenever, in an election of directors, the polls are to open or close at a specified time, notice of such limitation and/or opening and/or closing shall be stated in the notice of such meeting.

f. Proxies shall be designated for specific elections or election only and in no event shall be valid for a period exceeding eleven (11) months from date of designation.

Sec. 11 - Quorum.

A quorum for the transaction of business at shareholders meetings shall consist of twenty (20) percent of the shares of the Company, represented in person and/or by proxy.

Article II - DIRECTORS

Sec. 1 - Qualifications.

Only shareholders, who are bona fide owners of at least one or more shares of the capital stock of the Company shall be eligible to election, or hold the office of Director.

Sec. 2 - Organization Meeting.

A meeting of the Board of Directors shall be held at nine o'clock A.M. on the next day succeeding their election, for the purpose of organizing, electing and appointing officers and transacting such business as shall come before the meeting. No notice of such meeting need be given. If not held at the time appointed, business of reorganization shall be transacted at the first regular or special meeting held thereafter. Nothing herein shall prevent an earlier meeting, with the written consent of all the directors.

Sec. 3 - Regular Meetings.

Regular meetings of the Board shall be held on the fifth day of each month at the hour of nine o'clock A.M., provided the time of holding such regular meetings and the frequency thereof may, from time to time, and at any time, be changed 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

Art. II - DIRECTORS

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 Saturday or a legal holiday, (which expression includes Sunday) the meeting shall be held at the same hour on the next succeeding business day.

Sec. 4 - Special Meetings.

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

Sec. 5 - Notice of Special Meeting.

Written notice of special meetings of the Board of Directors shall be given each director in one or the other of the following ways:

1st: By personal delivery of a copy of said notice not later than on the second day next prior to the day appointed for the meeting; or

2nd: By sending a copy of said notice by mail or telegram not later than on the second day next prior to the day appointed for the meeting.

Sec. 6 - 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 could have transacted at a regular meeting may be transacted with like effect at a special meeting unless otherwise provided by law.

Sec. 7 - Compensation of Directors.

Directors shall receive no stated salary for their services as directors.

Sec. 8 - Attendance at Board Meetings.

Directors absent without reasonable excuse from three (3) consecutive meetings shall be removed, automatically.

Art. III - NOTICES

Sec. 1 - 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 notices of shareholders' meetings, directors' meetings and assessments.

Sec. 2 - By Whom Given And Signing.

Notices shall be given by the Secretary, or by an Assistant Secretary if such Assistant be so directed by the Secretary or by the President or the Board of Directors. If the person whose duty it is to give any notice shall fail or refuse so to do, then it shall be given by any person thereto directed by the President or the Board of Directors.

Art. III - NOTICES

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 printed, stamped, multigraphed, typewritten or made by method used in making any other portion of the notice.

Sec. 3 - Where Notice Is To Be Mailed.
When resort is had to giving any notice by mail, such notice shall be deposited in the United States Post Office in the city or community in which the principal office of the Company is situated, 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 the same does not appear on such records, then addressed to such person at the Post Office where mailed. 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 for said Post Office.

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

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

If the time has arrived when the person charged with the duty, desires to give notice, and the Board has failed to determine any of the above, the same shall then be determined by such person; and the power reserved to, and conferred upon, the Board, as above stated, shall be exercised., and the determination made, by the person giving the notice.

Sec. 5 - No Notice to Person Giving the Same.
Where the person giving any notice shall belong to the class entitled to notice, no notice need be mailed to or otherwise served upon such person, and it shall be conclusively presumed that service of the notice has been made personally upon that person.

Article IV - OFFICERS

Sec. 1 - Number of Officers.
The officers of the Company shall be elected by the directors, and shall be a President, a Vice-President, a Secretary, and a Treasurer. The Board may also appoint one or more assistant

secretaries and one or more assistant treasurers, and such other officers as they deem desirable for the transaction of the business of the Company. The President and Vice-President shall be members of the Board of Directors, 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 of Directors. Any two or more of said offices, except those of President, Vice-President, and Secretary, may be held by the same person. At its first meeting after each annual election of shareholders, the newly elected Board of Directors shall organize and shall elect a President, a Vice-President, a Secretary and a Treasurer, and may at the same meeting, or from time to time thereafter, appoint additional officers. Unless sooner removed by the Board of Directors, or unless they resign or become or be disqualified, all of the officers shall hold office until their successors are chosen and qualified. Any officer, whether elected or appointed by the Board of Directors, may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, and each officer shall take and hold office subject to the right of removal by the Board of Directors.

Sec. 2 - The President.

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

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

Sec. 3 - 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 of Directors shall prescribe.

Sec. 4 - Secretary.

The Secretary shall:

a. Attend all sessions of the Board, and all meetings of the shareholders, and record all votes and minutes of all proceedings in a book to be kept for that purpose, and perform like duties for the standing committees when required.
b. Keep the corporate seal of the Company, and the books of blank certificates of stock, fillup 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 of Directors shall prescribe, and discharge such other duties as pertain to his office, or which may be required by law, or by these by-laws, or by the Board of Directors.

Sec. 5 - Treasurer.

The Treasurer shall:

a. Have the custody of the corporate funds and securities and keep full and accurate accounts of receipts and disbursements in books belonging to the Company and deposit all moneys, and other valuable effects in the name and to the credit of the Company, in such depositaries as may be designated by the Board of Directors.
b. Disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements, and render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer 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 depositary.
c. Give the Company a bond if required by the Board of Directors in a sum, and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and for the restoration to the Company, in case of his 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.

Sec. 6 - Duties Of Officers May Be Delegated.

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

Article V - CERTIFICATES AND TRANSFERS OF SHARES.

Sec. 1 - By Whom Signed.

Certificates for shares shall be signed by the President or Vice-President and the Secretary, or by an Assistant Secretary if such Assistant be thereto authorized by the Board of Directors.

Sec. 2 - Form.

Subject to the provisions of law, and these by-laws, certificates for shares shall be of such form and device as the Board of Directors may from time to time, direct. The person to whom issued shall be denominated therein as the "registered holder."

The person in whose name a pledge of shares may be registered on the certificate (and on the stock records of the Company) shall be known as the "registered pledgee".

Art. V - CERTIFICATES AND TRANSFERS OF SHARES.

Each certificate shall be issued and held upon and subject to all of the conditions and provisions of the law, the Articles of Incorporation, By-Laws, and rules and regulations of the company, all of which shall be binding upon the registered holder, the registered pledgee (if any) and any transferee or person claiming any interest in the shares, or any of them, evidenced thereby.

Sec. 3 - Registration Of Pledge.
Upon surrender to the Secretary of a certificate accompanied by proper and satisfactory evidence of an assignment in pledge, the Company shall issue a new certificate stating therein the name of the registered holder and also the name of the one registered as pledgee, and cancel the old certificate, and record the transaction (with the name of the pledgee) on its books.

When any pledge has been so registered, the pledge may be released, or transferred, with the effect and in the manner stated on the certificate, and all of the provisions stated on said certificate shall be observed by the Company, and the rights of the pledgee shall be governed by and subject to the provisions stated on the share certificate.

Sec. 4 - Form For Registration of Pledge.
The Board of Directors may provide for registration on the share certificate of a pledge (one or more) of the shares evidenced thereby, and for such purpose adopt such form of certificate as it deems proper, subject to the law and these by-laws.

Sec. 5 - Charges Are Liens On Shares.
Each charge or toll for water delivered to or for the registered holder of any share or shares by virtue of or in respect of ownership of such share or shares is a lien against all of said share or shares from the time furnished or rendered until paid. Said lien may be foreclosed in the manner now or as may be hereafter provided by law of the State of California for a foreclosure of a pledge. Notice of intended foreclosure of such lien shall be mailed to the registered holder and pledgee, if any, of said shares at the address of such registered holder and pledgee, as they then appear upon the books and records of the Company. No demand for payment or other notice to the registered holder and pledgee, 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.

Sec. 6 - 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 thereagainst remains or is unpaid.

Art. V - CERTIFICATES AND TRANSFERS OF SHARES.

Sec. 7 - Assessments and Liens.
The Board of Directors shall provide that each certificate shall bear on its face a statement that the shares evidenced thereby are assessable and subject to liens, and such other provisions in connection therewith as it deems proper, subject to the law, the Articles of Incorporation and these by-laws.

Sec. 8 - Penalties, Interest and Collection Costs.
Each shareholder shall be liable for payment of and shall pay to the Company, upon its demand, all expenses incurred by the Company in collecting or enforcing payment from such shareholder of any delinquent assessment, charge, toll or other indebtedness. Included in such expenses are attorney's fees in any proceeding for the enforcement of any lien herein provided for, or the collection of such indebtedness, whether by court action or otherwise, and all expenses of any sale. 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 owned by the said shareholder and be secured thereby and enforced in the same manner and with the same effect as the principal debt. Wherever elsewhere in these by-laws or in the share certificates, the terms assessment, charge, toll, special charge, or any of them, 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, toll or special charge, or attaching, accruing or resulting from the non-payment thereof when due.

Sec. 9 - Liability of Registered Shareholder.
The registered shareholder on the books of the Company shall be entitled to all of the benefits accruing to such shares as are registered in his name, and shall be personally liable for all assessments levied by the Company against such shares and for all tolls and charges accruing in favor of the Company by reason of such shares during the time the same are registered in his name.

Article VI - POWERS OF THE BOARD OF DIRECTORS.

The Board of Directors, subject to restrictions of law, the Articles of Incorporation, or these by-laws, shall exercise all of the powers of the Company, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and they are hereby given, full power and authority, in their unlimited discretion (to be exercised by resolution adopted by majority vote of all the members of the Board whether denominated a rule or regulation, or otherwise) in respect of the matters, and hereinafter set forth, to-wit:

Sec. 1 - Seal
To adopt, use, and at will alter, a corporate seal of form and device approved by the Board; provided, there shall be set forth on said seal, the name of the Company and the state

Art. VI - POWERS OF THE BOARD OF DIRECTORS.

and date of incorporation. Said seal shall be affixed to the share certificates and such other instruments as the Board shall direct.

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

Sec. 3 - Financial Reports.
To prescribe the form, and provide for making and giving financial statements and reports to the shareholders. No balance sheet with statement of income and profit and loss, or other report provided for by Section 358 of the Civil Code of the State of California need be sent to the shareholders, and the provisions of said section are expressly dispensed with.

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

Sec. 5 - Transfer Fee.
To provide for the payment of a transfer fee, to be fixed by the Board of Directors, for the transfer of stock upon the books of the Company; provided, such transfer fee shall not exceed one dollar ($1.00) for each new certificate issued.

Sec. 6 - Fractional Shares
To regulate and control the division of shares into fractions, and provide into what fractions, if any, a share may be divided.

Sec. 7 - 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 one percent (1%) per month.

Sec. 8 - 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 one hundred dollars ($100.00).

Sec. 9 - Withholding Service.
a. To provide for the withholding of delivery of water, or other services from any shareholder, whenever and so long as there remains unpaid and delinquent any toll, charge

or assessment against said shareholder; to provide for such withholding for violation of the rules and regulations of the company; and to provide the time when and the conditions upon which delivery of such services may be resumed.

b. Whenever service is withheld solely because of non-payment of toll, charge or assessment, service shall be restored at such time as the delinquent charges including all penalties and interest accruing thereto, shall have been paid in full to the company.

Sec. 10 - Extension of Distributing Systems.

To provide and determine the place or places where, and the points to which, the water and distributing systems, or either, 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 pipe line, water conduit, pole line, or other appliance of the Company enlarged or extended without the consent of the Board of Directors, and the Board of Directors shall, at all times, be the exclusive judge of the necessity and expediency of constructing, enlarging, changing and extending the distribution systems of the Company, and such expediency and necessity shall, at all times be determined by and subject to the sole and uncontrolled discretion of the Board of Directors.

Sec. 11 - Tolls and Assessments.

To fix, and from time to time change, the charges or tolls payable for water furnished, or other service rendered; and to levy, collect and enforce assessments against the shares of stock. It shall lie within the discretion of the Board of Directors to determine what part of the revenue of the Company shall be raised by assessments, and what part by tolls or rates, and what amount or items shall be charged to current operating expense, and what to permanent additions or betterments.

Sec. 12 - Shareholders' Right Limited to Domestic Use.

a. No shareholder by virtue of the ownership of shares shall be entitled to the delivery of any water except for the sole purpose of domestic use, and no shareholder shall be entitled to connect with the distributing system used by the Company for the delivery of water or take water therefrom except with the consent of the Company 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 and measuring appliances, and over all water, until it shall have been actually released or delivered to the shareholder.

b. The Company shall provide for, determine and fix the location and installation of hydrants and meters for the turning out or measuring of water to which the respective shareholders may be entitled, and no hydrant or meter, or other method of measuring water shall be installed or changed without the consent and approval of the Board of Directors.

Art. VI - POWERS OF THE BOARD OF DIRECTORS.

Sec. 13 - Delivery or Use of Water.

No shareholder may use water except upon the parcel of land to which his shares are attached, and the Board of Directors shall not permit the delivery of water by the Company upon any lands for any purpose other than the lands described in the Articles of Incorporation, except that by amendment of the Articles of Incorporation, the water system to be owned and operated by the Company may be enlarged or extended.

Sec. 14 - 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.

Sec. 15 - Location of Shares.

a. To provide for and permit the location of the shares upon specific lands to be described on the outstanding certificate evidencing such shares (whether on the face, margin, or reverse of the certificate), to which the land the shares shall then be deemed attached for the purposes herein set forth and none other, such location to be made in the manner and with the effect hereinafter provided.

b. Any description, whether legal or popular, by which the lands can be identified, and satisfactory to the Board of Directors, shall be sufficient.

c. Application for location, describing the land on which the shares are to be located, shall be made to the Company in such manner as the Board shall prescribe, which application shall be acted upon and granted or denied by the Board or by such officer or officers as the Board shall authorize to act thereon. If the existing water distributing system to said land has sufficient carrying capacity to deliver to said land the water allotted to said shares, taking into consideration all other locations to be served by the system, the application shall be granted, otherwise refused, and the determination of the Board in any instance that the distributing system is not sufficient shall be conclusive upon the shareholder. If granted, the outstanding certificate shall be surrendered and cancelled, and a new certificate issued describing thereon the land on which located, and any certificate issued thereafter to evidence said shares, or any of them, while so located shall describe the land on which located.

d. Located shares shall have prior right to the use of the distributing system supplying water to the located lands, over unlocated shares, subject to rules and regulations and notice governing, permitting and determining such use.

e. Water allotted to located shares shall be used solely and exclusively for domestic use upon the lands on which located,

Art. VI - POWERS OF THE BOARD OF DIRECTORS.

unless the Board of Directors shall consent to or permit use elsewhere.

f. By and with the consent of the Board of Directors and not otherwise, located shares may be released from location and restored to the status of unlocated shares at the request or direction of the registered holder and of any registered pledgee, (with the right of location on other lands), upon surrender and cancellation of the outstanding certificates.

g. Located shares shall be transferred in the same manner as unlocated shares, and the Company shall not be required to inquire into, or determine the ownership of the land on which located.

Sec. 16 - To Incur Indebtedness.

To incur indebtedness from time to time, the amount of which unpaid at any time shall not exceed the sum of $25,000.00, unless such unpaid indebtedness, in excess of $25,000.00 has been approved or ratified by the vote or written consent of shareholders entitled to exercise a majority of the voting power of the outstanding shares of the corporation.

Article VII - AMENDMENTS.

These By-Laws may be repealed or amended or new By-Laws made and adopted at a meeting by the affirmative vote of the shareholders entitled to exercise a majority of the voting power of the corporation, or by the written assent of such shareholders, or by any other method or any other manner authorized or permitted by law.

Article VIII - RULES AND REGULATIONS.

Sec. 1 - New Service.

Application for new service shall be made to the Company, preferably in writing. All costs of installing new service, including but not limited to, pipe, fittings, valves, meters, and labor, shall be borne by the property owner. Upon completion, the entire installation, pipe, fittings, etc. from the supply line to and including the meter shall thereupon become the property of the Company and all future maintenance of service and installation to and including the meter shall be at the expense of the Company. Service lines from the meter to the property served remain the private property and responsibility of the property owner. If physically possible, meters shall be located on Company easements and in all cases shall be readily accessible to the Company for service and reading. The Company reserves the right to approve or disprove location of the meter and final installation of service.

The initial charge for each meter installed in new service shall be not less than fifty dollars ($50.00) payable to the Company by the property owner prior to delivery and installation and shall be in addition to all other installation costs and charges.

Art. VIII - RULES AND REGULATIONS.

Sec. 2 - Billing.

Dates for billing for water consumption shall be March 31, June 30, September 30, and December 31; on the basis of $3.00 per month minimum charge for 800 cu. ft. of water; plus excess indicated by meter reading, at the rate of $.30 per 100 cu. ft.

Bills shall be due and payable upon presentation, and become delinquent 30 days thereafter, at which time service shall be discontinued and a penalty of 1% will be added.

To restore service, a re-connection charge of $5.00 shall be required.

Sec. 3 - Maintenance.

Maintenance and repair of all such private lines shall be the responsibility of the owner.

All outlets on private lines must be kept closed when not in use and water must not be willfully wasted.

Any leaks or breaks on such private lines must be repaired as quickly as possible by the owner or his designee. If said leaks or breaks in private lines are not repaired within a reasonable period of time, the Company, at its option, may discontinue water service until such time as said repairs are completed.

It shall be the responsibility of every shareholder and/or consumer to report leaks or abnormalities or pressure to the Company immediately.

Sec. 4 - Penalties for Non-Payment of Assessments.

Penalty for late payment of assessments, made after delinquency of same and before forfeiture of the delinquent shares shall be 5% of the amount of the assessment, in addition to the original assessment amount.

Assessments upon the shares of the Company are due and payable thirty (30) days after date of notice, delinquent sixty (60) days after date of notice and shall be forfeited to the Company ninety (90) days after date of notice.

Every lot set forth in Maps 2318, Lake Morena Views; 2383, 2445 and 2451, Lake Morena Village (Lake Morena Views Mutual Water Company, Inc.) shall have a share which shall be current in assessments and other charges.

Any owner of a lot or lots on which a share or shares have been forfeited to the Company for any reason whatsoever, shall not be entitled to the delivery of water to any portion of the building site to which the share or shares are appurtenant, Art. VIII - RULES AND REGULATIONS.

until such time as he again becomes a full shareholder according to conditions stated elsewhere in these Rules and Regulations and according to the By-Laws of this Company.

Sec. 5 - Withholding Delivery of Water.
The Company is authorized to withhold delivery of water for uses other than domestic purposes unless requested in writing by the property owner and approved in writing by the Company.

The Board of Directors, acting for the Company, is authorized to withhold delivery of water to any shareholder who may use water on adjacent lots or any other lots on which shares are not in good standing, or furnish domestic water supply to another party who is not himself entitled to service, unless written consent is received from the Board of Directors of the Company.

The Company shall require a separate meter for any swimming pools served on its lines.

Sec. 6 - Emergency Use of Water.
During a fire or other type of emergency requiring extensive use of water, all areas not affected by such fire or emergency shall immediately terminate use of all water except for emergency purposes, and if such areas not affected by the fire or emergency refuse to terminate such ordinary use of the water, the Company may shut off all water to such violator during the period of such emergency.