

Michael Duane Davis, SBN 093678  
Marlene L. Allen-Hammarlund, SBN 126418  
Derek R. Hoffman, SBN 285784  
**GRESHAM SAVAGE NOLAN & TILDEN,**  
**A Professional Corporation**  
3750 University Avenue, Suite 250  
Riverside, CA 92501-3335  
Telephone: (951) 684-2171  
Facsimile: (951) 684-2150

Attorneys for Cross-Defendant/Cross-Complainant,  
ANTELOPE VALLEY UNITED MUTUAL GROUP; and  
Cross-Defendants, ADAMS BENNETT INVESTMENTS,  
LLC; MIRACLE IMPROVEMENT CORPORATION dba  
GOLDEN SANDS MOBILE HOME PARK, aka  
GOLDEN SANDS TRAILER PARK, named as ROE  
1121; ST. ANDREW'S ABBEY, INC., named as ROE  
623; SERVICE ROCK PRODUCTS, L.P.; and SHEEP  
CREEK WATER COMPANY, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**IN AND FOR THE COUNTY OF LOS ANGELES**

Coordination Proceeding  
Special Title (Rule 1550(b))

) Judicial Council Coordination  
) Proceeding No. 4408

**ANTELOPE VALLEY GROUNDWATER  
CASES**

) Santa Clara Case No. 1-05-CV-049053  
) Assigned to the Honorable Jack Komar  
) Department 17C

Including Consolidated Actions:

**Los Angeles County Waterworks District  
No. 40 v. Diamond Farming Co.**  
Superior Court of California, County of Los  
Angeles, Case No. BC 325 201

) **CROSS-DEFENDANT/CROSS-**  
) **COMPLAINANT, ANTELOPE VALLEY**  
) **UNITED MUTUAL GROUP,**  
) **SPECIFICALLY BLEICH FLAT**  
) **MUTUAL WATER COMPANY'S,**  
) **FIRST SUPPLEMENTAL RESPONSE**  
) **TO DECEMBER 12, 2012 DISCOVERY**  
) **ORDER FOR PHASE 4 TRIAL**

**Los Angeles County Waterworks District  
No. 40 v. Diamond Farming Co.**  
Superior Court of California, County of Kern,  
Case No. S-1500-CV-254-348

**Wm. Bolthouse Farms, Inc. v. City of  
Lancaster**  
**Diamond Farming Co. v. City of Lancaster**  
**Diamond Farming Co. v. Palmdale Water  
Dist.**

) For Court's Use Only:  
) Santa Clara County  
) Case No. 1-05-CV-049053  
) (For E-Posting/E-Service Purposes Only)

Superior Court of California, County of  
Riverside, consolidated actions, Case Nos. RIC  
353 840, RIC 344 436, RIC 344 668

AND RELATED ACTIONS.

1 **TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:**

2 Cross-Defendant / Cross-Complainant, **ANTELOPE VALLEY UNITED MUTUAL**  
3 **GROUP** [comprised of Antelope Park Mutual Water Co., Aqua-J Mutual Water Co., Averydale  
4 Mutual Water Co., Baxter Mutual Water Co., Bleich Flat Mutual Water Co., Colorado Mutual  
5 Water Co., Eldorado Mutual Water Co., Evergreen Mutual Water Co., Land Projects Mutual  
6 Water Co., Landale Mutual Water Co., Shadow Acres Mutual Water Co., Sundale Mutual Water  
7 Co., Sunnyside Farms Mutual Water Co., Tierra Bonita Mutual Water Co., Westside Park  
8 Mutual Water Co., and White Fence Farms Mutual Water Co., Inc.], by and through their  
9 attorneys of record, Gresham Savage Nolan & Tilden, PC, by Michael Duane Davis, Marlene L.  
10 Allen-Hammarlund and Derek R. Hoffman, submit the following supplemental information and  
11 materials for **BLEICH FLAT MUTUAL WATER COMPANY**, under penalty of perjury, in  
12 response to the December 12, 2012 Discovery Order for Phase 4 Trial (the "*Discovery Order*"),  
13 issued by the Honorable Jack Komar, Trial Judge.

14 Cross-Defendant / Cross-Complainant, **ANTELOPE VALLEY UNITED MUTUAL**  
15 **GROUP**, and specifically **BLEICH FLAT MUTUAL WATER COMPANY**, made a good  
16 faith effort to fully and accurately respond to the categories of information required by the  
17 *Discovery Order* in the Discovery Responses that it filed on December 21, 2012. However, due  
18 to the shortness of time between the issuance of the order and the degree of detail required by the  
19 *Discovery Order*, Cross-Defendant / Cross-Complainant, **ANTELOPE VALLEY UNITED**  
20 **MUTUAL GROUP** hereby supplements its responses for **BLEICH FLAT MUTUAL**  
21 **WATER COMPANY** to include information and documents responsive to the *Discovery Order*  
22 which were obtained after the December 21, 2012 deadline, and reserves the right to further  
23 supplement its responses pursuant to the *Code of Civil Procedure* and this Court's December 12,  
24 2012 *Case Management Order for Phase Four Trial* and this Court's January 17<sup>th</sup> *First*  
25 *Amendment to Case Management Order for Phase Four Trial*.

26 ///

27 ///

1 Each supplemental response is identified by reference to specific responses and  
2 documents provided in the **Bleich Flat Mutual Water Company** section of *Cross-*  
3 *Defendant/Cross-Complainant, Antelope Valley United Mutual Group's Information and*  
4 *Materials Responsive To December 12, 2012 Discovery Order For Phase 4 Trial* (the "Original  
5 Responses").

6 These Supplemental Responses are verified by Richard Hague, whose name and title are  
7 set forth in the Verification block at the end of these supplemental Responses. Mr. Hague is  
8 authorized to make said verification on behalf of the Bleich Flat Mutual Water Company. Mr.  
9 Hague has personal knowledge that the data and the documentation provided by these  
10 Supplemental Responses were collected and are maintained by Bleich Flat Mutual Water  
11 Company's employees, agents and vendors in the ordinary course of Bleich Flat Mutual Water  
12 Company's business. Mr. Hague has obtained (or caused to be obtained) the data and  
13 documentation provided by the Supplemental Responses from the business records of Bleich Flat  
14 Mutual Water Company. Mr. Hague has reviewed these Supplemental Responses and believes  
15 the data and documentation to be true and correct to the best of his knowledge and belief.

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- **2000:** 30.5 acre feet
- **2001:** 24.3 acre feet
- **2002:** 28.7 acre feet
- **2003:** 23.0 acre feet
- **2004:** 27.2 acre feet
- **2011:** 21.9 acre feet
- **2012:** 24.8 acre feet

**Original Response I.3.a. *Prima Facie* Groundwater Production Materials** is supplemented to include references to the following additional documents:

- Bleich Flat Mutual Water Company water production and distribution schematic
- Bleich Flat Mutual Water Company – photographs of water production, storage and distribution infrastructure and facilities
- Bleich Flat Mutual Water Company – well meter readings, 2011 and 2012.
- Bleich Flat Mutual Water Company – yearly well production spreadsheets, 2000 – 2004.

1 **Original Response I.3.c. Additional Materials** is supplemented to include references to the  
2 following additional documents:

- 3 • Bleich Flat Mutual Water Company Articles of Incorporation (and Certificate of  
4 Amendment)
- 5 • Bleich Flat Mutual Water Company – By-Laws
- 6 • Bleich Flat Mutual Water Company – Share Certificate (sample)
- 7 • Grant Deed (exemplar) to a member of Bleich Flat Mutual Water Company

1 **Verification by Authorized Individual:**

2 I, Richard Hague, am the Vice President of the Bleich Flat Mutual Water Company and  
3 have personal knowledge of the facts set forth above.

4 If called to do so, I could and would competently testify to these facts under oath. I  
5 declare under penalty of perjury under the laws of the State of California that the foregoing is  
6 true and correct.

7 Executed this <sup>30</sup>th day of January, 2013 at Lancaster, CA.

8   
9  
10 **RICHARD HAGUE**

11 Respectfully submitted,

12 GRESHAM SAVAGE NOLAN & TIDEN, PC

13 By: 

14 **MICHAEL DUANE DAVIS, ESQ.**  
15 **MARLENE L. ALLEN-HAMMARLUND, ESQ.**  
16 **DEREK R. HOFFMAN, ESQ.**  
17 Attorneys for CROSS-DEFENDANT / CROSS-  
18 COMPLAINANT, ANTELOPE VALLEY UNITED  
19 MUTUAL GROUP; and CROSS-DEFENDANTS,  
20 ADAMS BENNETT INVESTMENTS, LLC, MIRACLE  
21 IMPROVEMENT CORPORATION dba GOLDEN  
22 SANDS MOBILE HOME PARK, aka GOLDEN  
23 SANDS TRAILER PARK [ROE 1121], ST.  
24 ANDREW'S ABBEY, INC. [ROE 623], SERVICE  
25 ROCK PRODUCTS, L.P., and SHEEP CREEK WATER  
26 COMPANY, INC.  
27

28 GRESHAM | SAVAGE  
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STE 250  
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(951) 684-2171

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CROSS-DEFENDANT/CROSS-COMPLAINANT, ANTELOPE VALLEY UNITED MUTUAL GROUP, SPECIFICALLY  
BLEICH FLAT MUTUAL WATER COMPANY'S, FIRST SUPPLEMENTAL RESPONSE TO DECEMBER 12, 2012  
DISCOVERY ORDER FOR PHASE 4 TRIAL

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**PROOF OF SERVICE  
STATE OF CALIFORNIA, COUNTY OF RIVERSIDE**

Re: *ANTELOPE VALLEY GROUNDWATER CASES*  
Los Angeles County Superior Court Judicial Council Coordinated  
Proceedings No. 4408; Santa Clara County Superior Court Case No. 1-05-CV-049053

I am employed in the County of Riverside, State of California. I am over the age of 18 years and not a party to the within action; my business address is: 3750 University Avenue, Suite 250, Riverside, CA 92501-3335.

On January 30, 2013, I served the foregoing document(s) described as **CROSS-DEFENDANT/CROSS-COMPLAINANT, ANTELOPE VALLEY UNITED MUTUAL GROUP, SPECIFICALLY BLEICH FLAT MUTUAL WATER COMPANY'S, FIRST SUPPLEMENTAL RESPONSE TO DECEMBER 12, 2012 DISCOVERY ORDER FOR PHASE 4 TRIAL** on the interested parties in this action in the following manner:

( X ) **BY ELECTRONIC SERVICE** – I posted the document(s) listed above to the Santa Clara County Superior Court website, <http://www.scefiling.org>, in the action of the Antelope Valley Groundwater Cases,

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 30, 2013, at Riverside, California.

  
DINA M. SNIDER

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**BLEICH FLAT MUTUAL WATER COMPANY**

**Attachment I.3.a.i.**

GRESHAM | SAVAGE  
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CROSS-DEFENDANT/CROSS-COMPLAINANT, ANTELOPE VALLEY UNITED MUTUAL GROUP, SPECIFICALLY  
BLEICH FLAT MUTUAL WATER COMPANY'S, FIRST SUPPLEMENTAL RESPONSE TO DECEMBER 12, 2012  
DISCOVERY ORDER FOR PHASE 4 TRIAL

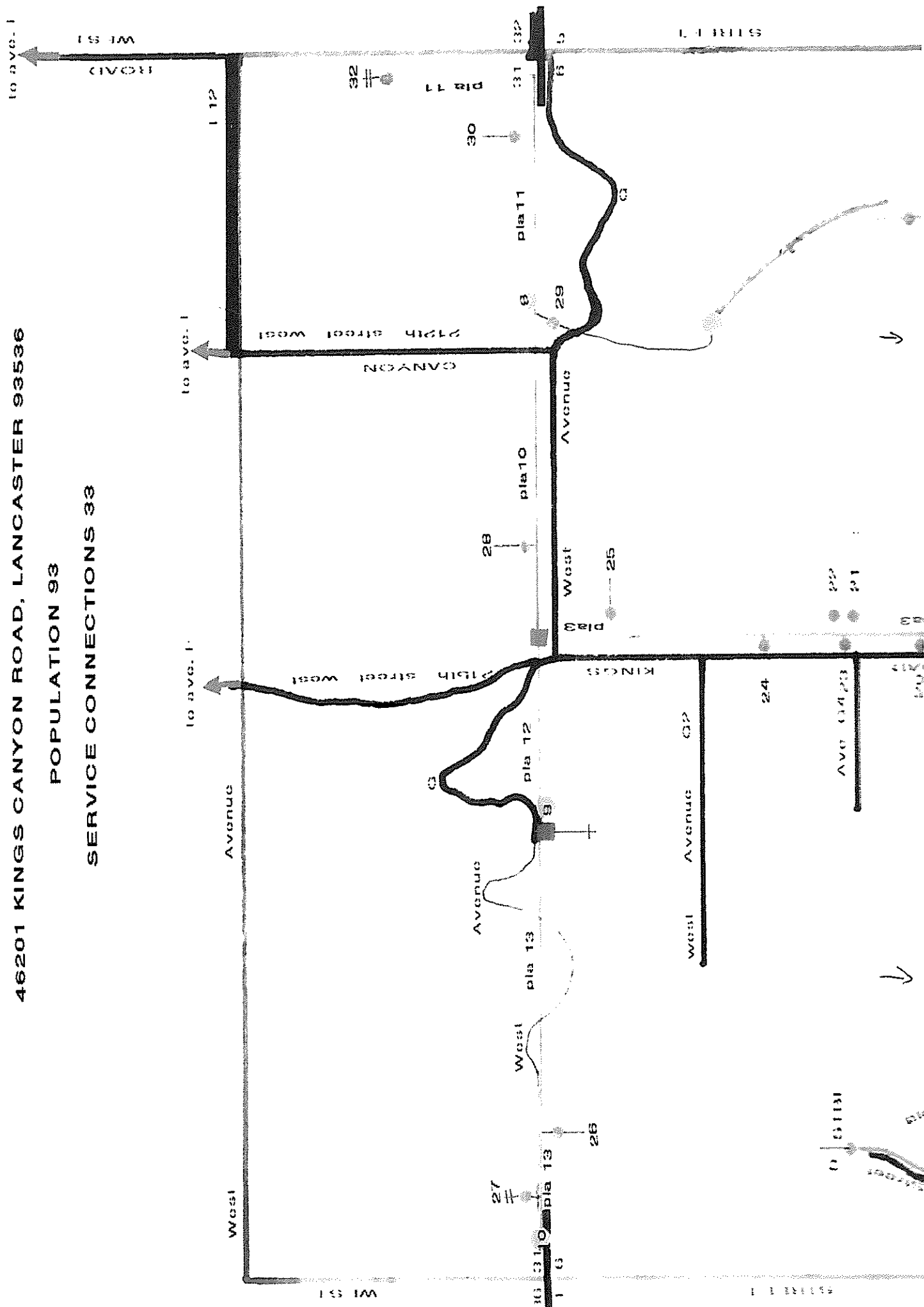


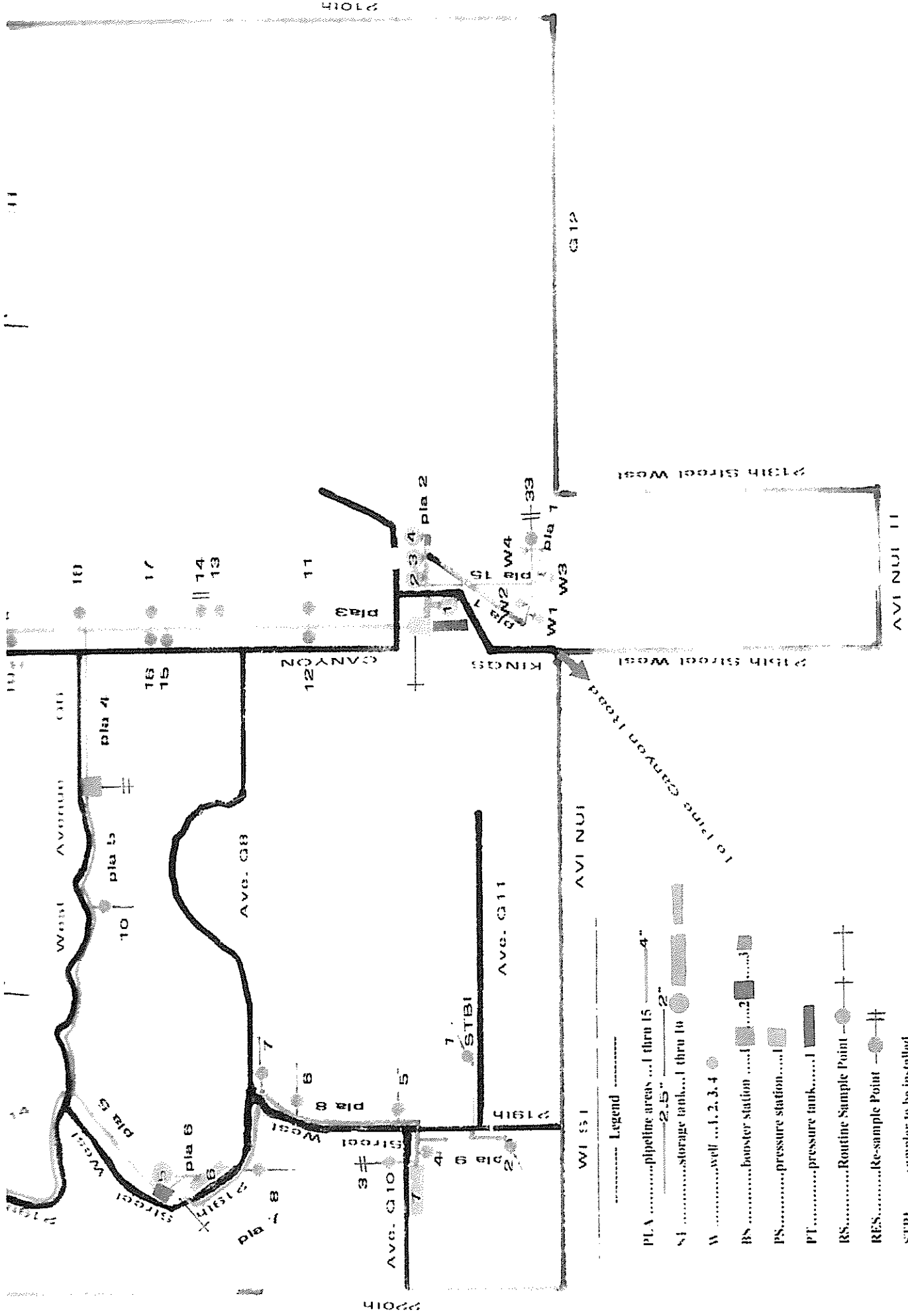
# BLEIGH PLANNING WATER COMPANY

46201 KINGS CANYON ROAD, LANCASTER 93536

POPULATION 93

SERVICE CONNECTIONS 33





- Legend
- PLA ..... pipeline areas .... 1 thru 15
  - ST ..... storage tank .... 1 thru 10
  - W ..... well .... 1, 2, 3, 4
  - BS ..... booster station .... 1, 2, 3
  - PS ..... pressure station .... 1
  - PT ..... pressure tank .... 1
  - RS ..... Routine Sample Point .... 1
  - RES ..... Re-sample Point .... 1
  - STBI ..... sampler to be installed
  - LMP ..... line meter manifold pit
  - SM ..... service meters .... 1
  - FH ..... fire head
  - Water company boundary

WELL METER READINGS

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
WELL 1	65990	45630	63450	74470	103770	105410	98430	860
WELL 2	81930	52960	74940	103060	146560	162880	204150	282280
WELL 3	98440	63610	85070	108030	154370	172190	216510	298970
WELL 4	168900	108500	144300	167300	235600	278700	352100	489000
TOTAL	415260	270700	367760	452860	640300	719180	871190	1071110
	Sep-11	Oct-11	Nov-11	Dec-11				
WELL 1	860	10730	0	80				
WELL 2	207500	181630	115650	88460				
WELL 3	222650	198530	129030	91140				
WELL 4	367200	331500	217200	167400				
TOTAL	798210	722390	461880	347080				
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
WELL 1	0	610	0	0	97370	332890	205450	158850
WELL 2	96620	153580	117880	254270	314980	296140	387640	355840
WELL 3	109350	91770	134310	294250	364400	347420	207680	156640
WELL 4	184400	155900	228500	183200	19000	300	89700	295400
TOTAL	390370	401860	480690	731720	795750	976750	890470	966730
	Sep-12	Oct-12	Nov-12	Dec-12				
WELL 1	179230	129180	59400	52410				
WELL 2	157710	143860	81920	72820				
WELL 3	180190	171090	102540	90770				
WELL 4	335800	319400	191900	172100				
TOTAL	852930	763530	435760	388100				

# BFMWC YEARLY WELL PRODUCTION

YEAR	SWL	1st qtr GALLONS	2nd qtr GALLONS	3rd qtr GALLONS	4th qtr GALLONS	CUMULATIVE GALLONS
<b>W1</b>						
1	1999				401600	
2	2000	624300	456800	302600	160300	1,544,000
3	2001	118500	236600	398400	135700	889,200
4	2002	116200	262600	288000	113150	779,950
5	2003	81000	268970	402530	134310	886,810
6	2004	115620	328680	533580	115620	1,093,500
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<b>W2</b>						
1	1999				763900	
2	2000	1186800	756800	507100	264600	2715300
3	2001	209600	384800	640600	253200	1488200
4	2002	248500	603500	597500	254160	1703660
5	2003	188160	398110	764070	299860	1650200
6	2004	248140	597000	946770	248140	2040050
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<b>W3</b>						
1	1999				914680	
2	2000	1438440	936490	567060	323760	3265750
3	2001	249040	484950	839510	333860	1907360
4	2002	323670	763420	704770	289810	2081670
5	2003	175160	503740	616260	299430	1594590
6	2004	238270	552200	692940	238270	1721680
7						
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<b>W4</b>							<b>TOTAL YEARLY GALLONS</b>
1	1999				601800		
2	2000	DOWN	183400	1422700	792100	2398200	9,923,250
3	2001	565700	1116000	1362000	582900	3626600	7,911,360
4	2002	1151200	1114700	1760900	760000	4786800	9,352,080
5	2003	480700	926900	1370600	574800	3353000	7,484,600
6	2004	518900	1200800	1761900	518900	4000500	8,855,730
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**BLEICH FLAT MUTUAL WATER COMPANY**

**Attachment I.3.b.i.**

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RECORDING REQUESTED BY

CHICAGO TITLE

AND WHEN RECORDED MAIL TO

93 662992

BLEICH FLAT MUTUAL WATER COMPANY  
46201 Kings Canyon Road  
Lancaster, California 93536

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
APR 8 1993 AT 8 A.M.

MAIL TAX STATEMENTS TO

Same as above

SURVEY MONUMENT FEE \$10. CODE 99

SPACE ABOVE THIS LINE FOR RECORDER'S USE

FEE  
\$5  
P

INDIVIDUAL GRANT DEED

THIS FORM FURNISHED BY ANTELOPE VALLEY ESCROW COMPANY

80

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$ 27.50

( X ) computed on full value of property conveyed, or

( ) computed on full value less value of liens and encumbrances remaining at time of sale.

( ) Unincorporated area: ( ) City of \_\_\_\_\_, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Charles Alfred Skelton as Successor Trustee of the Vera M. Skelton Testamentary Trust Dated June 10, 1983 as to an undivided  $\frac{1}{2}$  interest and Charles Alfred Skelton, as Successor Trustee of the Alfred E. Skelton Family Trust-1988 as to an undivided  $\frac{1}{2}$  interest hereby GRANT(S) to

BLEICH FLAT MUTUAL WATER COMPANY, a California Corporation

the following described real property in the  
County of Los Angeles, State of California:

The south half of the west half of Lot 16 and the east half of Lot 16 in the Southeast quarter of Section 6, Township 7 North, Range 15 West, San Bernardino Meridian, in the county of Los Angeles, state of California, according to the official plat of said land.

Dated: April 2, 1993

Acknowledgement

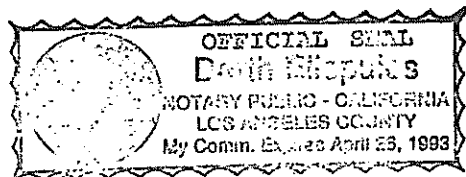
State of California

County of Los Angeles

SS

Charles Alfred Skelton, Successor Trustee  
Charles Alfred Skelton, Successor Trustee  
Charles Alfred Skelton, Successor Trustee

On April 2, 1993 before me, Darth Eliopoulos  
personally appeared  
Charles Alfred Skelton



personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  
WITNESS my hand and official seal.

Signature

(This area for official seal)

Title Order No.

Escrow or Loan No. 45469 N

**BLEICH FLAT MUTUAL WATER COMPANY**

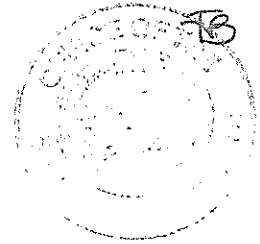
**Attachment I.3.c.i.**

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GRESHAM | SAVAGE  
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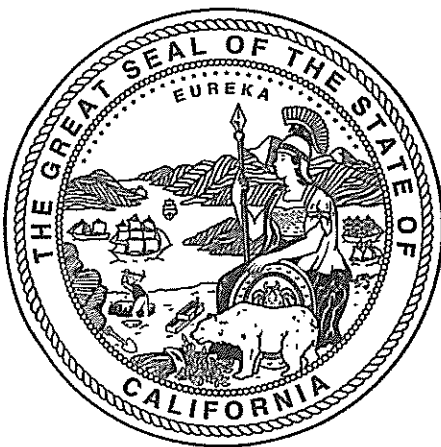
CROSS-DEFENDANT/CROSS-COMPLAINANT, ANTELOPE VALLEY UNITED MUTUAL GROUP, SPECIFICALLY  
BLEICH FLAT MUTUAL WATER COMPANY'S, FIRST SUPPLEMENTAL RESPONSE TO DECEMBER 12, 2012  
DISCOVERY ORDER FOR PHASE 4 TRIAL



**State of California**  
**Secretary of State**

I, DEBRA BOWEN, Secretary of State of the State of California,  
hereby certify:

That the attached transcript of 6 page(s) was prepared by and  
in this office from the record on file, of which it purports to be a copy, and  
that it is full, true and correct.



**IN WITNESS WHEREOF**, I execute this  
certificate and affix the Great Seal of the  
State of California this day of

MAR 26 2009

DEBRA BOWEN  
Secretary of State



539722

FILED  
In the office of the Secretary of State  
of the State of California

ARTICLES OF INCORPORATION

OF

BLEICH FLAT MUTUAL WATER COMPANY

JAN 26 1968  
FRANK M. JORDAN, Secretary of State  
by Kalvin R. Marling  
Deputy

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, all of whom are residents and citizens of the State of California, have this day voluntarily associated ourselves together and executed these Articles for the purpose of forming a nonprofit corporation under and pursuant to the "General Nonprofit Corporation Law" of said State,

AND WE DO HEREBY CERTIFY AS FOLLOWS:

First: The name of this corporation is and shall be:  
BLEICH FLAT MUTUAL WATER COMPANY.

Second: (a) The specific and primary purpose for which this corporation is formed is to develop, distribute, supply and deliver water for domestic purposes, only to its members, at actual cost plus necessary expenses, and the memberships in the corporation shall be appurtenant to the land described in the certificates issued therefor;

(b) Other general and secondary purposes and powers which this corporation may exercise are as follows:

1. To sink wells and shafts and to make, build and construct, lay down and maintain storage tanks, reservoirs, cisterns, culverts, filter beds, main and other pipe lines, valves, fire hydrants and other appliances, and to do all other works and things necessary or convenient for obtaining, storing, supplying, delivering, measuring and distributing water only to its members;

Restriction of right  
to amend articles

NO

yes

2. To build, construct, maintain, purchase, hire or otherwise acquire, deal in or provide any building, premises, workshops, plants and equipment and machinery and other things necessary or useful for the purpose of carrying out the objects, purposes and powers of this corporation;

3. To enter into contracts for the purpose of carrying out any of the functions of this corporation and any of its purposes and powers;

4. To employ, hire or otherwise engage the services of persons, firms or organizations either as employees or as independent contractors to assist in carrying out the purposes of this corporation;

5. To apply for and obtain any permits, licenses, franchises and other evidences of authority from any applicable public bodies and to thereafter use, enjoy and as may be appropriate transfer the same.

6. To draw, make, accept, endorse, discount, execute or issue promissory notes, debentures, bills of exchange, guarantees and other negotiable or transferable or non-negotiable instruments for any authorized purpose of this corporation;

7. To borrow and lend money and to make and execute contracts, bonds, notes, mortgages, trust deeds, hypothecations and pledges of any kind of property of the corporation as security for such loans, contracts, liabilities, debts and obligations of this corporation and to receive, own, sell and assign evidences of debt, guarantees for money loaned and for all other obligations and contracts made by or belonging to or owned by this corporation;

8. To do and perform every act or thing necessary, suitable or convenient for the accomplishment of any of the purposes or for the attainment of the objects of this corporation as herein specified or which at any time hereafter appear conducive to or expedient for the accomplishment of any of such purposes which shall not be inconsistent with the "General Nonprofit Corporation Law" of the State of California.

And it is intended that each purpose and power herein expressed shall in no wise be limited or restricted by reference to any other purpose or power herein contained and that each of the same shall be construed as being independent purposes and powers.

Third: This corporation shall not distribute any gains, profits or dividends to its members except upon the dissolution of the corporation.

Fourth: This corporation is organized under and pursuant to the "General Nonprofit Corporation Law" of the State of California.

Fifth: The county in this State where the principal office for the transaction of the business of the corporation is located is the County of Los Angeles.

Sixth: The qualifications of members of this corporation together with the property, voting and other rights and privileges and duties of the members and the liabilities of members for dues and assessments and the method of collection thereof are to be set forth and governed by the provisions made in the By-Laws of this corporation and such By-Laws shall also make provision for the termination of memberships in the corporation and for its use of a form of membership certificate.

Seventh: The number of directors of this corporation shall be five unless and until changed in any manner permitted by law and the names and addresses of the persons who are appointed to act as the first directors of this corporation are as follows:

<u>NAMES:</u>	<u>ADDRESSES:</u>
Alfred E. Skelton	20000 West Avenue E-15 Lancaster, California
Charles A. Skelton	20500 West Avenue "F" Lancaster, California
Earl R. Harpst	20006 West Avenue E-15 Lancaster, California
John W. Henderson	43905 North Elm Avenue Lancaster, California
Jack N. Dougherty	43745 North Waddington Lancaster, California

In Witness Whereof, for the purpose of forming this corporation, the undersigned have this 19 day of January, 1968, executed these Articles of Incorporation.

  
Alfred E. Skelton

  
Charles A. Skelton

  
Earl R. Harpst

  
John W. Henderson

  
Jack N. Dougherty

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES )

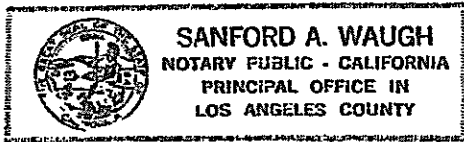
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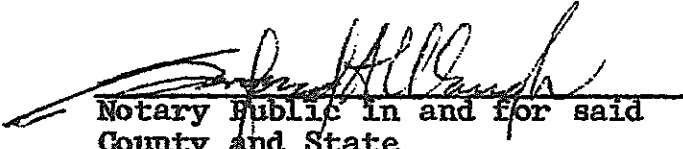
On this 19th day of January, 1968, before me, SANFORD A. WAUGH, a Notary Public in and for said County and State, personally appeared ALFRED E. SKELTON, CHARLES A. SKELTON, EARL R. HARPST, JOHN W. HENDERSON and JACK N. DOUGHERTY, known

to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, and acknowledged to me that they executed the same.

Witness my hand and official seal.

(NOTARIAL SEAL)



  
Notary Public in and for said  
County and State

My Commission Expires June 6, 1971

## CERTIFICATE OF AMENDMENT ON ARTICLES OF INCORPORATION

OF BLEICH FLAT MUTUAL WATER COMPANY

DEPARTMENT OF CORPORATIONS

RECEIVED  
APR 22 1981  
DAVID

A. K. SKELTON, CHARLES A. SKELTON, RICHARD HAGUE, DAVID  
WATSON, and CLYDE W. LANDIS, hereby certify:

LOS ANGELES OFFICE

1. That we are the Officers of the above-mentioned corpora-  
tion, a California Non-Profit Corporation.

2. That Article 3 of the Articles of Incorporation of  
BLEICH FLAT MUTUAL WATER COMPANY shall be amended to read as  
follows:

Third: This Corporation, upon dissolution,  
shall distribute all remaining assets  
to all persons who are members during  
the period in which the assets were  
held, in proportion to the amount of  
business done with those members during  
that period, insofar as is practical.

3. The foregoing amendment has been approved by the  
Board of Directors.

4. That the Amendment was approved by the required vote  
of the members.

5. The foregoing Amendment does not change any of the  
rights of the outstanding memberships in that corporation is  
a non-profit corporation. The foregoing Amendment is merely  
evidence of asset distribution upon dissolution pursuant to an  
Internal Revenue Service requirement as regards tax exemptions  
of non-profit corporations.

DECLARATION

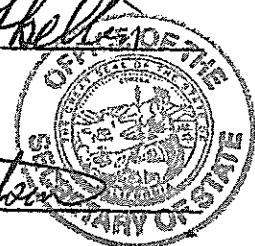
Each of the undersigned declares under penalty of perjury  
that the statements contained in the foregoing Certificate of  
Amendment of Articles of Incorporation are true of his own know-  
lege and that this Declaration was executed on April 16, 1981,  
at Lancaster, California.

A. E. Skelton  
A. E. SKELTON, President/  
Treasurer

Charles A. Skelton  
CHARLES A. SKELTON  
Vice-President

Richard Hague  
RICHARD HAGUE, Secretary

David Watson  
DAVID WATSON



**BYLAWS  
OF  
BLEICH FLAT  
MUTUAL WATER COMPANY**

**ARTICLE 1  
GENERAL**

**SECTION 1. PURPOSE OF COMPANY**

We are a mutual water company but are not in the business of making a profit. We are in the business of maintaining a water delivery system.

**SECTION 2. CALIFORNIA GENERAL CORPORATION LAW APPLICABLE**

This corporation is organized under the "General Nonprofit Corporation Law" of the State of California and it shall not distribute any gains, profits or dividends to it's members except upon the dissolution of the corporation.

**SECTION 3. COMPANY FISCAL YEAR.**

The Company's fiscal year for allocating water among shareholders and for accounting purposes shall be November 1 to October 31. The board may change the Company's fiscal year by resolution.

**SECTION 4. MEMBERS APPROVAL – 1/10/73.**

- (a) The object of this corporation is to develop and distribute water for domestic purposes only to members of the corporation owning parcels of land of five acres or more within a limited part of Los Angeles County, California, comprising approximately 662 acres and including Lots 1 to 7, inclusive, and Lot 10, and the W ½ of Lot 13 and Lots 15 to 18, inclusive, all in Section 6, Township 7 North, Range 15 West, S.B.B. and M; and the South ½ of the SE 1/4, and the S ½ of Lot 1, and the South ½ of Lot 2, all in Section 31, Township 8 North, Range 15 West, S.B.B. and M.; all in the unincorporated territory of Los Angeles County, California.
- (b) The Water system of this corporation consisted initially and generally of a six-inch well and related facilities, pipelines and appurtenances in and adjacent to the centerline of the northerly three-quarters of a mile of Section 6, Township 7 North, Range 15 West, S.B.B. and M. Other facilities were and will be acquired by the corporation as funds become available and as the same are needed.

- (c) The cost of lateral pipelines from the main water line, of service connections thereto and of any meters to include a check valve and shut off installed shall be the responsibility of Bleich Flat and at the cost of the parcel owners under rules and regulations to be established from time to time by the Board of Directors of this corporation, which rules and regulations may also govern all other matters of water service deemed appropriate from time to time by the Board of Directors. The cost of pipeline or other equipment beyond the meter is the responsibility of the landowner.

## **SECTION 5. NOTICES.**

- (a) Notices shall be given by the secretary, the president, or the directors. If the person whose duty it is to give notice fails or refuses, it shall be given by any person directed by the president or the directors.
- (b) When notice is given by mail, such notice shall be deposited in the United States Post Office in Los Angeles County, or in a United States Post Office within fifty miles of the principal office of the Company, with postage prepaid, and directed to the address of such person, appearing on the records of the Company. The notice shall be deemed to have been deposited in the Post Office, when deposited in a letter box, or other mail receptacle from which mail is regularly collected for the Post Office.
- (c) The board may regulate the matter and order notices as follows:
  - (1) The board may select the method to be used as to one or more persons to be served, and another method as to others;
  - (2) The newspaper in which publication is to be made;
  - (3) The date, or dates, or publication;
  - (4) The form and contents of the notice; and
  - (5) The date of mailing of the notice.

When the time has arrived to give notice, and the board has failed to determine the above, the same shall then be determined by the person giving the notice.

## **SECTION 6. RECORDS AND REPORTS.**

The location or principal office of the Company is Lancaster, California. The Board may change the location of the principal office. A change of location of the principal office shall be noted as an amendment to these Bylaws.



## **SECTION 7. RECORDS AND REPORTS.**

The Company shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its shareholders, Board and committees of the Board; and
- (c) A record of each shareholder's name and address.

## **SECTION 8. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS.**

The Company shall keep at its principal office, or if its principal office is not in California, at its principal business office in this state, the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the shareholders at reasonable times during office hours.

## **ARTICLE II SHAREHOLDERS**

### **SECTION 1. ELIGIBILITY.**

Persons owning land within Tract are eligible to be shareholders of the Company. The right to participate in water distribution of the corporation will be confined to parcel owners within the territory of the corporation and shall be appurtenant to the Land described in the membership certificates issued to the corporation's members.

### **SECTION 2. ANNUAL MEETINGS.**

An annual meeting of shareholders shall be held on the end of October of each year, at the hour of 7:00 p.m.

### **SECTION 3. SPECIAL MEETINGS.**

Special meetings of the shareholders may be held upon call by the president, the board or shareholders holding not less than ten percent (10%) of the voting power of the Company.

### **SECTION 4. PLACE OF MEETINGS.**

Unless some other place shall be appointed, meetings of shareholders shall be held at the principal office of the Company. The board may change the place for the meeting to another place within Los Angeles County.

## **SECTION 5. NOTICE OF MEETING.**

Written notice of meetings of shareholders shall be given to shareholders entitled to notice, not more than 30 days, nor less than 15 days, before the meeting by delivering such notice personally or by mail.

## **SECTION 6. FORM OF NOTICE AND STATEMENT OF PURPOSE.**

Notice of the meeting shall specify the place, the day and the hour of the meeting. In the case of special meetings, the general nature of the business to be transacted shall be stated in the notice. In the case of the annual meeting, the business to be transacted need not be stated.

## **SECTION 7. SHAREHOLDERS ENTITLED TO NOTICE.**

Notice of shareholders' meeting shall be mailed on the same day and at the same time. Notice shall be given to shareholders who appear as record holders at 12:00 o'clock, Noon, on the day immediately preceding the day of mailing (herein "record date").

## **SECTION 8. WAIVER OF NOTICE OR CONSENT BY SHAREHOLDER.**

Attendance by a person at a meeting constitutes a waiver of notice of meeting unless the person objects at the beginning of the meeting. However, attendance at a meeting is not a waiver of the right to object to the consideration of matters required by the General Corporation Code to be included in the notice if the objection is made at the meeting. The business to be transacted and the purpose of a regular or special meeting of shareholders need not be specified in a written waiver, consent, or approval of minutes.

## **SECTION 9. QUORUM.**

Fifty percent (50%) of the shareholders entitled to vote or the smallest percentage permissible by law, which ever is less, shall constitute a quorum at a shareholders' meeting. If 50% or more is required by law to constitute a quorum, the vote of a majority of the shareholders at the meeting shall be necessary for the shareholders to act.

## **SECTION 10. SHAREHOLDER ACTION WITHOUT A MEETING.**

Action may be taken by shareholders without a meeting if holders consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the shareholders. The action by written consent shall have the same force and effect as the unanimous vote of the shareholders.

## **SECTION 11. ENTITLED TO VOTE**

Each member of the corporation shall be entitled to one vote for each five acres of property represented by his membership certificate at all membership meetings, or upon any matters requiring a vote or consent of members, which may be exercised by any owner of an undivided interest in membership, unless more than one undivided owners shall prevail. Every member entitled to vote at any election of the directors of the corporation may cast his votes on a non-cumulative basis, i.e., one vote for each candidate for the Board of Directors, but in no event can cast more than one vote per five acre parcel for any one candidate.

## **SECTION 12. PROXIES.**

Every person entitled to vote on matters may vote in person or through agents authorized by a written proxy signed by the person and filed with the secretary. A validly executed proxy shall continue in full force and effect unless; (a) before the vote, it is revoked in writing by the person executing it; (b) by issuance of a subsequent written proxy; (c) attendance at a meeting and voting in person by the person executing the proxy; or (d) written notice of the death or incapacity of the maker of the proxy received before the vote. No proxy shall be valid eleven months from the date of the proxy, unless a term not to exceed three years from the date of execution is stated on the proxy. A proxy shall be revocable. A proxy stated as irrevocable shall be governed by Corporations Code section 7613.

A proxy for a meeting for election of directors marked by a shareholder "withhold" or otherwise marked in a manner indicating the authority to vote for the election of director is withheld, shall not be voted for the election of a director.

## **SECTION 13. BUSINESS TO BE TRANSACTED.**

At an 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 within the powers of the shareholders subject to the Corporations Code requiring notice of special proposals. At a special meeting, business may be transacted of the general nature specified in the notice, but not otherwise.

## **SECTION 14. MANNER OF VOTING AT SHAREHOLDERS' MEETINGS.**

Questions shall be decided at shareholder's meetings by voice vote (viva voce), unless a majority in voting power, of the shareholders present, demands a vote by written ballot.

## **SECTION 15. ELECTION OF DIRECTORS.**

- (a) The entire number of directors to be elected shall be elected at the same time and on a single vote or ballot. Directors shall not be elected separately or in a number less than the entire number to be elected. Each shareholder shall be entitled to cast one vote per certificate on each matter submitted to a vote.

- (b) If no election of directors has been held for more than four years, a board may be elected at a 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 preceding the special meeting.

#### **SECTION 16. SHARE CERTIFICATES.**

Membership certificates shall be issued by the corporation to its members in such form as has been approved for use by the corporation, signed by the President and Secretary of the corporation and to which has been affixed the corporate seal. A record of each certificate issued shall be kept in the Share Certificate Register of the corporation and the certificates shall be numbered sequentially in order. No certificate shall be issued without containing a description of the particular land to which it shall be appurtenant and upon sale or transfer of said land, the membership certificate to which it is appurtenant shall pass by the deed or other conveyance of said land whether or not therein described and a new certificate may be issued to the transferee thereof. Before issuing a new certificate proof of ownership must be given by providing a copy of the title or deed.

#### **SECTION 17. SUSPENSION OF BENEFITS.**

Any member of this corporation may be suspended and deprived of the benefit of membership in this corporation from membership therein by resolution passed by the Board of Directors where the member has for a period of more than three months failed, neglected or refused to pay any indebtedness to the corporation or has otherwise violated any of the By Law provisions of this corporation or any rules and regulations established by its Board of Directors.

#### **SECTION 18. LOST OR DESTROYED CERTIFICATES**

In the event of a proper showing to the Board of Directors of this corporation that a certificate of membership therein has been lost or destroyed, the Board of Directors may order a duplicate certificate to be issued upon such guarantees having been furnished the corporation by the party claiming the membership as the Board of Directors may deem satisfactory under the applicable laws. Before issuing a new certificate for one that has been lost or destroyed, an affidavit stating that it has been lost must be given.

#### **SECTION 19. SHAREHOLDERS' INSPECTION RIGHTS.**

- (a) Subject to the Corporations Code and unless the Company provides a reasonable alternative as provided below, shareholders may obtain from the secretary on five days' written demand, stating the purpose:
- (1) Inspect and copy the records of shareholders' names, addresses, and voting rights during usual business hours; and

- (2) On payment of a reasonable fee, obtain a list of names, addresses, and voting rights of shareholders entitled to vote for the election of directors. The secretary shall make this list available to the shareholder within ten days after the demand is received, or the date specified in the demand as the date as of which the list is to be compiled.
- (b) Within ten business days after receiving a demand under this section, the Company may make a written offer of an alternative method of reasonable and timely achievement of the purpose specified in the demand without providing access to or a copy of the list of shareholders. Rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the purpose of the demand.
- (c) If the Company reasonably believes the information will be used for a purpose other than reasonably related to a person's interest as a shareholder, or if the Company provides a reasonable alternative, the Company may deny the shareholders access to the list of shareholders.
- (d) Inspection and copying under this Section may be made in person or by the shareholder's agent or attorney. The right of inspection includes the right to copy and make extracts.
- (e) On written demand served on the secretary, a shareholder may inspect, copy and make extracts of the accounting books and records and the minutes of the proceedings of the shareholder, the board, and committees of the board for a purpose reasonably related to the shareholder's interest as a shareholder.

## **SECTION 20. SHAREHOLDERS' INTEREST IN EARNINGS.**

The Company shall only retain funds in excess of those needed to meet current losses and operating expenses to the extent reasonably necessary to meet future costs and expenses. Shareholders have an interest in retained funds in the proportion the total amount paid by the shareholder bears to the total income of the Company for each year. Upon dissolution, the proceeds will be distributed to shareholders on the basis of shareholders; rights and interest in the Company's retained funds and proceeds upon dissolution.

## **SECTION 21. RIGHT TO WATER SERVICE.**

Shareholders shall not be entitled to connect to the distributing system, used by the Company for delivery of water, or to take water, except with the consent, and upon and subject to the rules and regulations of the Company. The Company has full control over storing, distributing, measuring and diversion appliances, and over water until actually released or delivered to the shareholder.

## **ARTICLE III BOARD OF DIRECTORS**

### **SECTION 1. NUMBER AND QUALIFICATION OF DIRECTORS.**

Directors must be shareholders. The board shall consist of five (5) directors until changed by amendment to the Articles and these Bylaws.

### **SECTION 2. ELECTION, DESIGNATION AND TERM OF OFFICE.**

Directors shall be elected at an annual meetings of shareholders to hold office for a period of four years. If directors are not elected at that annual meeting, they may be elected at a special shareholders' meeting held for that purpose or by written ballot. Directors shall hold office until expiration date of the term for which elected and until a successor has been elected and qualified. [as amended by more than a two thirds majority vote of shareholders at the Annual Meeting of October 23, 2012]

### **SECTION 3. VACANCIES ON BOARD.**

A vacancy on the Board shall exist on the occurrence of the following:

- (a) the death or resignation of a director;
- (b) the declaration by resolution of the board of a vacancy in the office of a director declared of unsound mind by an order of court or convicted of a felony; or
- (c) the vote of a majority of shareholders to remove a director(s).

### **SECTION 4. RESIGNATIONS.**

A director may resign by giving written notice to the president or secretary. The resignation shall be effective when the notice is given unless it specifies a later time to become effective.

### **SECTION 5. FILLING VACANCIES.**

Except for a vacancy created by removal of a director, vacancies on the Board may be filled by a majority of the directors, whether or not less than a quorum. The shareholders may fill any vacancy or vacancies not filled by the directors within 60 days of the date of the vacancy.

### **SECTION 6. NO VACANCY ON REDUCTION OF NUMBER OF DIRECTORS**

Reduction of the authorized number of directors shall not have the effect of removing a director before the director's term of office expires.

#### **SECTION 7. DIRECTORS' MEETINGS.**

- (a) Meetings of the Board shall be held at any place designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Company.
- (b) Meetings may be held by conference telephone or similar communication equipment if directors participating in the meeting can hear one another.
- (c) Immediately after the annual meeting, the Board shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business. Notice of the annual board meeting is not required.
- (d) Other regular meetings may be held without notice at such time and place as the Board may fix from time to time.
- (e) Special meetings may be called by the president, the secretary, or two directors.

Notice of the time and place of special meetings shall be given to the directors by personal delivery of written notice, by first class mail, postage prepaid, or by telephone, directly to the director or to a person at the director's office who would reasonably be expected to communicate the notice promptly to the director. Notices sent by mail shall be deposited at least four days before the time set for the meetings. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

#### **SECTION 8. QUORUM.**

A majority of the authorized number of directors constitutes a quorum for the transaction of business, except to adjourn. Decisions by a majority of the directors present at a duly held meeting at which a quorum is present are acts of the board unless more stringent provisions of the California Corporation Law apply. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if a decision is approved by a majority of the required quorum for the meeting.

#### **SECTION 9. WAIVER OF NOTICE.**

Notice of a meeting need not be given to a director who signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting.

Waivers, consents, and approvals shall be filed with the corporate records or made part of the minutes of the meetings. Notice of a meeting need not be given to a director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to the director.

#### **SECTION 10. ADJOURNMENT.**

A majority of the directors present may adjourn a meeting to another time and place even if a quorum is not present.

#### **SECTION 11. NOTICE OF ADJOURNED MEETING.**

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, at least 24 hours' written notice of the adjournment shall be given to the directors not present at the time of the adjournment.

#### **SECTION 12. ACTION WITHOUT A MEETING.**

If an action of the Board is required or permitted, it may be taken without a meeting if directors consent in writing or by a phone conversation to the action. Action by written consent or phone conversation shall have the same force and effect as other validly approved actions. Written consents or phone conversation shall be written down and shall be filed with the minutes of the proceedings of the Board.

#### **SECTION 13. COMPENSATION AND REIMBURSEMENT.**

Directors may receive just and reasonable compensation for service, and reimbursement for expenses, as may be determined by board resolution.

#### **SECTION 14. POWERS OF BOARD DIRECTORS.**

The board of directors shall exercise the powers of the Company. The board has full power and authority in respect to the following:

- (a) To adopt, use and alter, a corporate seal of form and device;
- (b) To prescribe the form and provide for keeping a share register and records pertaining to the issuance, registration and transfer of share;
- (c) To prescribe the form, and provide for making and giving financial statements and reports to the shareholder;
- (d) To adopt, repeal, modify, and enforce, rules and regulations essential or desirable for the management of conduct of the Company;



- (e) To establish a fee, set by the board, for the transfer of shares upon the books of the Company; and
- (f) To dismiss employees.

#### **SECTION 15. DELEGATION OF POWERS.**

The board may delegate to the general manager or agent of the Company, the enforcement of the rules and regulations of the Company, and the determination of ministerial matter, but no office, agent, employee, or other representative of the Company may employ a person other than subject to the right of the board to terminate the employment at will. The board may waive such right of dismissal for a period not in excess of one year, by written contract.

#### **SECTION 16. REGULATION OF WATER SERVICE.**

The board may determine and fix the following with respect to delivery of water:

- (a) The amount of water available for distribution to the shareholders;
- (b) The time when delivery shall begin;
- (c) The notice required for and conditions under which delivery is to be made;
- (d) The rate structure to accumulate and maintain a fund for the repair and replacement of the water supply, distribution, and fire protection system;
- (e) The suspension or discontinuance of water delivery for violation of the rules and regulation, failure to pay charges, tolls, assessments, costs, interest, penalties or other sums payable to the Company;
- (f) The location and installation of the measuring gates, weirs and meters for turning out or measuring the water to which the respective shareholders may be entitled;
- (g) Apportion the water for the benefit of shareholders in proportion to stock ownerships;
- (h) The charges of tolls payable for water furnished or other service rendered;
- (i) The levy and collection of assessments; and
- (j) 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.

#### **SECTION 17. EXTENSION OF DISTRIBUTION SYSTEM.**

The board may determine where within the “service area” the water distributing system appliances of the Company shall be located. The holding of shares of the Company shall confer no right to have a pipeline or other appliance modified.

#### **SECTION 18. INSPECTION BY DIRECTORS.**

Directors may inspect the Company’s book, records, documents, and physical properties. The inspection may be made in person or by the director’s agent. The right of inspection includes the right to copy and make extracts of documents.

#### **SECTION 19. AMENDMENTS.**

- (a) Subject to the rights of shareholders under these Bylaws, the board may adopt, amend, or repeal Bylaws unless the action would:
  - (1) Materially and adversely affect the shareholders’ rights as to voting, dissolution, redemption, or transfer;
  - (2) Increase or decrease the number of shareholders authorized in total or for a class;
  - (3) Effect an exchange, reclassification, or cancellation of securities; or
  - (4) Authorize a new class of share.
- (b) Once shareholders are admitted, the board may not specify or change a Bylaw provision that would:
  - (1) Fix or change the authorized number of directors;
  - (2) Fix or change the minimum or maximum number of directors; or
  - (3) Change from a fixed number of directors to a variable number of directors or vice versa.
- (c) These Bylaws require the vote of a larger proportion of the board than otherwise required by law. Such provision may not be altered, amended, or repealed except by that greater vote.
- (d) If there are major changes to the Bylaws and the board considers these changes to be called “new” Bylaws, then a vote of two-thirds (2/3) of the membership is required.

#### **ARTICLE IV OFFICERS**

## **SECTION 1. OFFICERS OF THE COMPANY**

The officers of the Company shall be a president, 2 vice presidents, secretary, and a treasurer.

## **SECTION 2. ELECTION OF OFFICERS.**

The officers of the Company shall be chosen annually by the board and serve at the pleasure of the board.

## **SECTION 3. REMOVAL OF OFFICERS.**

An officer may be removed without cause by the board. If the officer was not chosen by the board, the board may confer the power of removal to the person who made the appointment.

## **SECTION 4. RESIGNATION OF OFFICERS.**

An officer may resign by giving written notice to the Company. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice. The resignation need not be accepted to be effective.

## **SECTION 5. VACANCIES IN OFFICE.**

A vacancy in an office occurring by death, resignation, removal, disqualification, or other cause shall be filled in the manner prescribed for regular appointments to the office. Vacancies need not be filled annually.

## **SECTION 6. PRESIDENT.**

The president shall supervise the Company's activities, affairs, and officers. The president shall:

- (a) Preside at shareholders' and board meetings;
- (b) Sign deeds and other instruments approved or authorized by the board; and
- (c) Supervise the business and affairs of the Company, and cause the orders and resolutions of the board to be carried into effect, and shall have such powers and duties as the board or Bylaws may prescribe.
- (d) Keep the corporate seal, Articles of Incorporation, Bylaws, and books of blank certificates of stock, fill up certificates issued, and affix the corporate seal to papers requiring a seal.

- (e) Keep the corporate seal in safe custody.

#### **SECTION 7. SECRETARY.**

The secretary shall:

- (a) Attend meeting of the board and shareholders, record votes and minutes of proceedings, and perform like duties for the standing committees when required.
- (b) Keep proper account books and such records and books pertain to the issuance and transfer of share;
- (c) Give, or cause to be given, notice of meetings of shareholders, of the board, and of committees of the board required by these Bylaws to be given and any other records; and
- (d) Shall have such other powers and perform such other duties as the board or the Bylaws may prescribe.

#### **SECTION 8. TREASURER.**

- (a) The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Company's properties and transactions. The treasurer shall send or cause to be given to the shareholders and directors such financial statements and reports as are required by law.
- (b) The treasurer shall deposit, or cause to be deposited, money and other valuables in the name and to the credit of the Company with such depositories as the Board orders. The treasurer shall render to the president and the board when requested, an account of transactions as treasurer and of the financial condition of the Company.
- (c) If required by the board, the treasurer shall give the Company a bond in the amount and with surety specified by the board for faithful performance of the duties of the office and for restoration to the Company of books, papers vouchers, money and other property in the possession or control of the treasurer.

#### **SECTION 10. CHECKS OR WARRANTS**

Upon the approval of the Board of Directors, the President, Treasurer or Secretary may sign all checks or warrants drawn upon the funds of the corporation.

#### **SECTION 9. INDEMNITY AND INSURANCE.**

- (a) To the fullest extent permitted by law, this Company shall indemnify its directors, officers, employees, and other persons described in the Corporations Code, including persons formerly occupying such position, against expenses, judgments, fines, settlements, and amounts actually and reasonably incurred in connection with a “proceeding.” “Expenses,” as used in this Bylaw, shall have the same meaning as in section 7237(a) of the Corporation Code.
- (b) On written request to the board by a person seeking indemnification under Corporations Code 7237(b) or 7237(c), the board shall promptly determine under sections 7237(e) whether the applicable standard of conduct set forth in section 7237(c) had been met and, if so, the board shall authorized indemnification. If the Board cannot authorized indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of shareholders. At that meeting, the shareholders shall determine under section 7237(e) whether the applicable standard of conduct set forth in section 7237(b) or section 7237(c) has been met and, if so, the shareholders present at the meeting in person or by proxy shall authorize indemnification.
- (c) To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by those sections shall be advanced by the Company before final disposition of the proceeding, on receipt by the Company of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined the person is entitled to be indemnified by the Company for those expenses.
- (d) The Company may purchase and maintain insurance on behalf of its officers, directors, employees, and other agents, against liability asserted against or incurred by the officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, or agent’s status as such.

## **ARTICLE V ASSESSMENTS**

### **SECTION 1. GENERAL.**

The board may levy assessments against shares for lawful purposes:

- (a) There shall be on the face of each certificate a statement in form, meaning and effect, substantially as follows:

“Shares evidenced by this Certificate are assessable. No shares are transferable when:(a) an assessment in unpaid; or (b) a registered holder in indebted to the Company.”

- (b) The levy of an assessment shall be made by resolution of the board and shall:

- (1) Identify the basis for determining the assessment;
- (2) Specify the amount thereof and to whom and where it is payable;
- (3) Fix a date on which the assessment is payable;
- (4) Fix a date, not less than thirty or more than sixty days from the date on which the assessment is payable, and which such assessment becomes delinquent and is not paid;
- (5) Fix a date not less than fifteen or more than sixty days from the date on which the unpaid assessment becomes delinquent for the sale of delinquent shares and an hour and place for such sale of delinquent shares.

## **SECTION 2. NOTICE OF ASSESSMENT.**

The notice shall be served personally on each holder of record of shares assessed. In lieu of personal service, the notice may be mailed to each shareholder, addressed to the last address of the shareholder appearing on the books of the Company or given by the shareholder to the Company for the purpose of notice, or if no address appears or is given, at the place where the principal executive office of the Company is located.

## **SECTION 3. PENALTIES, INTEREST AND COLLECTION COSTS.**

- (a) Shareholders shall be liable for payment of and shall pay to the Company, upon its demand, expenses incurred by the Company in collecting or enforcing payment of delinquent assessment, charge, toll or other indebtedness. Included in such expenses are attorney fees in a proceeding for the enforcement of liens for the collection of such indebtedness, whether by court action or otherwise, and expenses of sale.

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

#### **SECTION 4. RECORD HOLDER LIABLE FOR TOLLS AND CHARGES.**

The record holder of any shares shall be entitled to the delivery of water apportioned to such shares, subject to suspension or discontinuance, and shall be personally liable for the payment of tolls, charges, interest, costs and penalties in respect of or on account of shares during the time the same are registered in the record holder's name on the books of the Company.

#### **SECTION 5. ANNUAL REPORT.**

- (a) An annual report shall be prepared within 105 days after the end of the fiscal year. The report shall contain the following information in appropriate detail:
- (1) A balance sheet as of the end of the fiscal year;
  - (2) An income statement and statement of changes in financial position for the fiscal year; and
  - (3) A statement of the place where the names and addresses of current shareholders are located.
- (b) The company shall notify shareholders annually of the right to receive a financial report.

#### **SECTION 6. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS.**

As part of the annual report to shareholders, or as a separate document if an annual report is issued, the Company shall annually prepare and mail or deliver to shareholders and furnish to directors a statement of transactions or indemnifications of the following types within 120 days after the end of the Company's fiscal year:

- (a) Unless approved by shareholders under Corporation Code section 7233 (a), a transaction involves more than \$250.00 with another company in which directors or officers had a direct or indirect material financial interest.

- (b) A brief description of the amounts and circumstances of loans, guaranties, indemnifications, or advances aggregating more than \$250.00 paid during the fiscal year to an officer or director, unless the loan, guaranty, indemnification, or advance has been approved by the shareholders under Corporations Code section 5034, or the loan or guaranty is not subject to the provisions of Corporations Code section 7235(a).

Dated this 23 day of October, 2012

Kay D. Hague  
Secretary

(SEAL)

#### CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of BLEICH FLATS MUTUAL WATER COMPNAY, a California corporation, the above Bylaws, consisting of 18 pages, are the Bylaws of this Company as adopted by the Board of Directors on October 23, 2012, and they have not been amended or modified since this date.

Executed on October 23, 2012 at Lancaster, California.

Kay D. Hague  
Secretary



Certificate No. \_\_\_\_\_ For \_\_\_\_\_

From whom transferred

Received Certificate No. \_\_\_\_\_

Issued to \_\_\_\_\_

For \_\_\_\_\_

Dated \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_

Dated \_\_\_\_\_

NO. ORIGINAL CERTIFICATE	ORIGINAL MEMBERSHIP INTERESTS	MEMBERSHIP INTERESTS TRANSFERRED
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NUMBER

INCORPORATED UNDER THE LAWS OF THE STATE OF CALIFORNIA  
JANUARY 26, 1968

# BLEICH FLAT MUTUAL WATER COMPANY

## Certificate of Membership

This Certifies That \_\_\_\_\_ is a

Regular member of BLEICH FLAT MUTUAL WATER COMPANY

a nonprofit corporation, and is entitled to all rights and privileges and subject to all the obligations pertaining to such membership as set forth in the Articles of Incorporation and Bylaws. The holder of this membership is bound by all the Bylaws of the Corporation and all subsequent amendments and changes thereto, and by this certificate is the holder of one membership.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers this \_\_\_\_\_ day of \_\_\_\_\_

SECRETARY

PRESIDENT