

RESTATED  
ARTICLES OF INCORPORATION  
OF  
CASCADEL MUTUAL WATER CO.

ENDORSED  
FILED  
In the Office of the Secretary of State  
of the State of California

AUG - 7 1995

BILL JONES, Secretary of State

Robert McKee and Roger Tucker certify that:

1. They are the president and the treasurer, respectively, of Cascadel Mutual Water Co., a California non-profit corporation.
2. The Articles of Incorporation of this non-profit corporation are amended and restated to read as follows:

FIRST: This corporation is a non-profit mutual benefit corporation organized under the Non-profit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

SECOND: (a) The specific purpose for which this corporation is formed is:

To furnish, supply and distribute water at cost plus necessary expenses to and for its members for domestic, commercial and all other useful purposes in proportion to the membership(s) held by them, respectively, on real property more particularly described as Tract No. 119 and Tract No. 24, Madera County, State of California.

(b) This Corporation shall also have the following purposes:

(1) To deliver water to the state or any agency or department thereof, or to any school district, or to any other mutual water company, at cost.

(2) To acquire, purchase, or hold, sell, convey, lease, condemn, encumber by deed of trust, water rights, water works, easements, and real and personal property of every kind and description wheresoever situated, whether within or without the state of California.

(3) To conduct, operate, and maintain buildings, artesian wells, pumping plants, conduits, tunnels, ditches, electrical transmission lines and pull lines.

(4) To borrow money and issue bonds, debentures, notes, and evidence of indebtedness, and to secure the payment or performance of its obligations by mortgage, deed of trust, pledge or otherwise.

(5) To engage in, and to pay or contribute to, in whole or in part, the cost of conserving storm and other waters, whether acting alone or with others, and regardless of by whom or what agency the work shall be done, maintained or carried on; and to become a member of and/or contribute to the expenses and maintenance of any unincorporated association, cooperative corporation, or public corporation or agency, organized and existing for the purposes of conserving water.

(6) To levy and collect from the members water tolls and charges, a lien against the memberships and to withhold transfer of any membership while

subject to the lien of any unpaid tolls or charges.

(7) To join, merge, consolidate or contract with the water system of a public utility water company regulated by the Public Utilities Commission, or any other mutual water company or water system of a municipality or other political subdivisions; provided that the provisions of the California Civil Code and Corporations Code and other laws relevant to possible liquidation, merger or consolidation of corporations be fully complied with.

(8) To enter into any obligations or contracts or to do any acts incidental to the transaction of its business or expedient for the attainment of the purposes of the corporation and to exercise any and all rights and powers which a mutual water company may now or hereafter exercise.

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

THIRD: The principal office for the transaction of the business of the corporation shall be located in the County of Madera, State of California.

FOURTH: Upon filing of the foregoing amendment and restatement of Articles of Incorporation, all 133 outstanding shares of the corporation shall be converted to memberships, pursuant to Corporations Code Section 911(b), and all 17 unissued shares shall be cancelled pursuant to said Section 911(b). Each member shall be entitled to a certificate evidencing membership in the corporation and entitlement to water. The certificate shall be transferable only with the land for which it is issued and a conveyance of the land shall legalize a transfer of the certificate to the purchaser. The certificate shall be appurtenant to the land.

FIFTH: Authority is expressly conferred upon the corporation to levy assessments upon and against all the memberships of the corporation; and the board of directors shall have power, by majority vote of its members, to levy assessments upon all memberships of the corporation at such times and from such time to time and in such amounts as shall to them appear necessary or expedient; (provided the assessment levied at any particular time shall be for the same amount against each outstanding membership); and each assessment shall be a lien on the memberships assessed from the time of adoption of the resolution levying such assessment until paid, and each member shall be personally liable to the corporation for the amount of each assessment levied against the membership standing upon the books of the corporation in the name of such member at the time of the adoption of the resolution levying such assessment which amount may be recovered from the member by suit of personal action.

In the event of non-payment of any assessment, the corporation may, at its option, either (1) sell or forfeit the membership against which the assessment was levied in the manner now or hereafter provided by the bylaws or law of the State of California; or (2) by majority vote of the board of directors, collect the assessment by personal action and suit against the member personally liable therefor; or the corporation

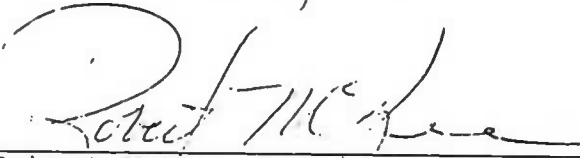
may elect to pursue any combination of the above said remedies, or any other remedy provided for by law.


SIXTH: The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

SEVENTH: The foregoing amendment and restatement of articles of incorporation has been duly approved by the required vote of shareholders in accordance with Section 911(e) of the Corporations Code. Cascadel Mutual Water Company is a mutual water company within the meaning of Section 2705 of the Public Utilities Code and under the terms of the conversion each outstanding share is converted to a membership in this nonprofit mutual benefit corporation. The aforementioned amendment to convert to a nonprofit mutual benefit corporation was approved by the outstanding shares (Corps. Code Sec. 152) of each class regardless of limitations or restrictions on the voting rights thereof. The total number of shareholders of the corporation is 133. The number of shareholders voting in favor of the amendment equalled or exceeded the vote required. The percentage vote required, and which was achieved, was a majority, or more than fifty percent (50%).

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge:

Dated: July 11, 1995

  
\_\_\_\_\_  
Robert McKee, President

  
\_\_\_\_\_  
Roger Tucker, Treasurer