

By Laws: Forest Lakes Mutual Water Company

Table of contents

BY LAW I	Rights and Obligations of Stockholders	1
Section 1	Stock to owners of land	1
Section 2	Water to stockholders only	1
Section 3	Stock certificate	1
Section 4	Stock issuance (fee and agreement)	1
Section 5	Stock passes with ownership of lot	2
Section 6	Costs and expenses of the corporation and liens	2
Section 7	Assessments, fees, and fines	2
Section 8	Ownership of water delivery system	2
Section 9	Connection to water service	3
Section 10	Stockholder statement of conformity	3
BY LAW II	Corporate Powers	3
Section 1	Board of Directors	3
Section 2	Board member absence	4
BY LAW III	Officers	4
Section 1	Officers of the corporation	4
Section 2	Officer salaries	4
BY LAW IV	Powers and duties of directors	4
Section 1	Board of Directors	4
First	Employees	4
Second	Business rules and regulations of the corporation	4
Third	Corporate seal and certificate of stock	4
Fourth	Issue stock	5
Fifth	Borrow funds, build and maintain roads, incur indebtedness	5
Sixth	Demand for stock payments	5
Seventh	Collect assessments and place liens	5
Eighth	Rules and regulations for water district, collect costs and expenses incurred	5
Ninth	Alter, repeal, amend by laws	5
Tenth	Other rules and regulations	6
Eleventh	Fire protection reservoir / recreational purpose, rules and regulations of facility	6
Twelfth	Advisory Committees	6
BY LAW V	Vacancies in the Board of Directors	6

Section 1	Vacancy in the office of director	6
BY LAW VI	Election of directors	6
Section 1	Election by stockholders, term of office, votes	6
Section 2	Accumulative voting	6
Section 3	Quorum	7
Section 4	Election of officers	7
BY LAW VII	President	7
Section 1	Power and duties	7
First	Preside at meetings	7
Second	Special meetings	7
Third	Affix Signature	7
Section 2	Power and duties out of state	7
Section 3	President pro tem	7
BY LAW VIII	Vice president	7
Section 1	Absence of president	7
BY LAW IX	Secretary	8
Section 1	Power and duties	8
First	Record of proceedings	8
Second	Corporate seal	8
Third	Countersign stock	8
Fourth	Publication of notices	8
Fifth	Control of accounts and books	8
Sixth	Transfer shares on stock books	8
Seventh	Perform all duties that pertain	8
Section 2	Assistant secretary duties and obligations	8
BY LAW X	Treasurer	9
Section 1	Treasurer appointment	9
Section 2	Powers and duties	9
BY LAW XI	Meetings	9
Section 1	Regular annual stockholder meetings, quorum and voting requirements, proxies, special stockholder meetings	9
Section 2	Regular and special board meeting requirements, director vote by telephone	10

BY LAW XII	Indemnification of directors, officers, employees, and other agents	11
Section 1	Definition of director	11
Section 2	Serve in good faith and in best interest	11
Section 3	Rely on various data	11
First	Data supplied by officers or employees	11
Second	Data supplied by counsel, accountants	11
Third	Data supplied by committees	11
Section 4	Liability of director	11
Section 5	Liability of agents or others	11
Section 6	Legal obligations and expenses	11
	Adoption of corporation by laws March 16, 1925	12
	Amendment of corporation by laws June 28, 1980	12
	Amendment of corporation by laws September 8 and November 10, 1987	13
	Amendment of corporation by laws December 11, 2001	13
	Restatement of corporation by laws November 13, 2018	13

Articles of Incorporation:

Exhibit "A" forming of the corporation	1
1. Name of corporation	1
2. Purpose for which formed	1
(a) Lands, water, water rights, water works, roads, easements, real and personal property	1
(b) Bonds, securities and shares of stock	1
(c) Maintain roads, buildings, artesian wells, pumping plants, dams, conduits, tunnels reservoirs, pipelines, water system and ditches	1
(d) Property of corporation	2
(e) Acts to carry out foregoing purposes	2
(f) Corporation to be mutual and non-profit	2
(g) Stock title transfer	2
(h) Dividends	2
3. Principal place of business	2
4. Term of existence	2
5. Number of directors shall be seven (7)	3
6. Amount of stock	3
7. Subscribers of stock	3
Witnesses signatures January 31, 1925	3
8. Quorum	3
Notary signatures January 31, 1925	4

BY LAWS: Forest Lakes Mutual Water Company

Restated November 13, 2018

BY LAW I *Rights and Obligations of Stockholders*

Section 1 Stock to owners of land

Stock in this corporation shall be issued to owners of lots of land within the Forest Lakes Tract, consisting of 616 acres of land, being a part of Rancho Canada del Rincon, near Felton, Santa Cruz County, California, and property adjacent thereto.

Section 2 Water to stockholders only

The water of this corporation is not and shall not be appropriated for sale, rental or distribution, and shall be supplied to none other than its stockholders. Stockholders, in turn, may not resell, give away, or assign in any manner any of the corporation's water. Water shall not be put to use outside the boundaries of the lot or lots owned by the stockholder. Further, water supplied to stockholders shall be used for residential uses: any commercial use or reuse of the corporation's water, either direct or indirect, is prohibited.

Section 3 Stock certificate

The lots of land owned by subscribers to the stock of this corporation on which the water supplied by this corporation is to be used shall be described in the certificates of stock issued to such subscribers, and the stock when issued, and the water of this corporation when it shall be supplied, shall be appurtenant to such lots so owned by its stockholders when the same are so described in the certificate of stock issued therefor. The right to such water shall not be thereafter transferred to any other lands or lots or individuals without the consent of the Board of Directors nor, unless the stock corresponding to the water rights so to be transferred be transferred with such consent to such other lands or lots and to the owner or owners thereof as the case may be. In no event shall the water of this corporation be used upon any lots of land not herein before described, or by any person not a stockholder, the owner of lots of land within the boundaries of the property for which stock of this corporation is held, or authorized resident guests and renters of the stockholder.

Section 4 Stock issuance (fee and agreement)

Stock in this corporation shall be issued to the owners of lands or lots as aforesaid at the rate of one (1) share of stock for one (1) lot of land, and no share shall be issued for any area less than an integral lot, except where title to more than portion of the entire lot is vested in severalty in different persons. Before stock is transferred or new stock is issued, a stock transfer fee must be paid and the owner must submit a completed Stock Subscription Agreement.

Section 5 Stock passes with ownership of lot

Stock in this corporation owned by stockholders who own the lots to which the stock is appurtenant shall pass with the ownership of the lots to which the same is appurtenant with or without the endorsement, delivery or surrender of the certificate representing the same. In the event of the vesting of title to various portions of an entire lot to which stock is appurtenant, in severalty in different persons, whether by voluntary or involuntary act of the owner, as by sale, gift, descent, devise, or in any other manner, the stock appurtenant to the said entire lot shall become and be appurtenant to that part of the lot upon which is located the most valuable improvements as determined by the Board of Directors, but if there be no improvements, then the said stock shall become and be appurtenant to the largest remaining portion of said lot and the said stock shall become the property of and be owned by the owner of the largest portion or the portion with the most valuable improvement thereon, as the case may be. As to the remaining portion or portions of the said lot, the Board of Directors may in its discretion issue shares of stock to such owners when properly applied for. The Board of Directors of this corporation shall have the power to accept the surrender of shares when necessary or desirable to carry this provision into effect. Any stock issued by this corporation shall be issued subject to possible surrender to and re-taking by this corporation of portions thereof, in pursuance of this provision in the contingency hereinbefore mentioned.

Section 6 Costs and expenses of the corporation and liens

The water supplied to the stockholders shall be supplied at cost, as determined by the Board of Directors and in a manner determined by the Board of Directors. The costs and expenses incurred, or to be incurred, in the supply and distribution of water and in the execution of other obligations incumbent on the corporation shall be apportioned among the stockholders in such manner as may be determined by agreement between the corporation and its stockholders, or as may from time to time be determined by the Board of Directors of the corporation. The corporation shall have a lien on the lots of land of each stockholder who owns such lots to which the stock is appurtenant for any such expenses so apportioned to the stockholder, whether fixed by agreement with the stockholder or by the action of the Board of Directors.

Section 7 Assessments, fees, and fines

Assessments, fees, and fines levied or to be levied by this corporation upon its stock shall be lien upon the lots of land to which the stock is appurtenant.

Section 8 Ownership of water delivery system

The corporation shall be the sole owners of all pipes, equipment, and associated systems used in the delivery of water. The ownership and responsibility of improvements, alteration, and maintenance shall extend to a meter or the Forest Lakes shut-off valve as determined by the Board of Directors which meters or controls the supply of water to a stockholder's parcel. The corporation shall have all rights of access to inspect, improve, maintain, and alter its equipment. The corporation shall have no responsibility for the inspection, improvement, maintenance, or alteration of equipment owned by a stockholder, but at its discretion the Board of Directors may enter into a contract with the stockholder for the purpose of inspection, improvement, maintenance, or alteration. In an emergency as determined by the corporation, the corporation may inspect, maintain, improve, or alter equipment

owned by a stockholder without the stockholder's permission to the extent that correction of the emergency condition requires. Stockholders shall take all reasonable precautions so as not to obstruct access to the corporation's equipment and property.

Section 9 Connection to water service

Only one single-family residential unit per lot of land shall be connected to the corporation's water system through a single water service, meter, hookup, or other type of connection as defined herein or by affirmative vote of the Board of Directors. An additional connection with associated assessments and fees shall be required of a stockholder at the sole discretion of the Board of Directors if either of the following conditions are met, as determined solely by the Board of Directors:

(1)(a) new construction of a detached structure or modification of an existing detached structure which creates an additional detached residential unit or units, AND, (b) for which the stockholder receives compensation for the residents in the structure.

OR

(2) any single structure which contains more than one kitchen for which the stockholder receives compensation in exchange for the use of one or more kitchens. A single kitchen is defined by the presence of any two (2) or more of the following: (i) refrigerator, (ii) cooking facility, (iii) sink, and/or (iv) dishwasher, as determined solely by the Board of Directors.

Section 10 Stockholder statement of conformity

Each stockholder shall, upon request, be required to certify in writing by a specified date (a) that the number of assessed connections is consistent with the standards set forth in By Law I: Section 9, (b) that water supplied by the corporation is being used only for residential, noncommercial use, and (c) that the water is being used only within the confines of the stockholder's lot of land. If the stockholder fails to provide the required yearly certification by the specified date, or it's determined by the Board of Directors that the certification may be false, misleading or contain incorrect information, the Board of Directors shall have the sole authority to take all necessary actions and impose all associated assessments and fees.

BY LAW II Corporate Powers

Section 1 Board of Directors

The corporate powers, business and property of this corporation shall be vested in and exercised, conducted and controlled by a board of seven directors, each of whom, except the incorporators of the corporation and their successors and assigns, shall be either a stockholder (or dully authorized representative of such stockholder) of the company and owner of at least one (1) lot of land in said property hereinbefore described, or part thereof, if there is a change in ownership, such as described in By Law I, Section 5, of these by laws. If a director ceases at any time to be a stockholder and the owner of such lot of land (or the representative of a stockholder), that director shall hereby ipso facto cease to be a director and no one shall be, or be deemed to be, a de facto director who has ceased to be a stockholder or the owner of such lot of land (or representative of such).

Section 2 Board member absence

Any board member absent for three consecutive board meetings in succession may be removed from the Board, at the sole discretion of the Board, unless adequate notice is provided to the president for the absence.

BY LAW III Officers

Section 1 Officers of the corporation

The officers of this corporation shall consist of the president, vice-president, secretary, and treasurer, who shall be elected by the directors. The same person may be elected to and hold the offices of secretary and treasurer. The Board of Directors may elect an assistant secretary at any time they shall deem it advisable to create such an office, and such assistant secretary shall, in the absence of the secretary, exercise and perform the duties of the secretary.

Section 2 Officer salaries

The amount of salary which each of said officers shall receive, and the manner and time of its payment, shall be fixed and determined by the Board of Directors and may be altered by said board, from time to time, at its pleasure.

BY LAW IV Powers and duties of directors

Section 1 Board of Directors

The Board of Directors shall have power:

First Employees

To elect and remove at pleasure all other officers, agents and employees of the corporation, prescribe such duties for them as may not be inconsistent with law and these by laws, fix their compensation, and require from them security for faithful service.

Second Business rules and regulations of the corporation

To conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations therefor, not inconsistent with the law and these by laws and the legal obligations of the corporation, as they may deem best.

Third Corporate seal and certificate of stock

To fix from time to time the office of the corporation, and to adopt, make and use a corporate seal, and to prescribe the forms of certificates of stock, and to alter the forms of such seal and such certificates, from time to time, as in their judgment may seem best. In the absence of action by the Board of Directors prescribing the form of certificates of stock, such certificates shall be in such forms as the officers signing the same may determine.

Fourth Issue stock

To issue, or cause to be issued, to persons qualified, as provided in Section 1 of By Law I of these by laws, at any time and from time to time, certificates of stock when fees have been received and to issue, or cause to be issued, to persons so qualified, at any time and from time to time, receipts which shall specify the amount of money paid, or value received on account of the stock to which they refer; to transfer on the books of the company the stock of any stockholder to any person who may be entitled thereto under the provisions of these by laws, with or without the endorsement, delivery or surrender of the certificate representing the same. All such certificates and receipts for stock shall be signed by the president or vice-president and secretary or assistant secretary, if there be one.

Fifth Borrow funds, build and maintain roads, incur indebtedness

To borrow money, build and maintain roads and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes and other evidences of debt.

Sixth Demand for stock payments

To call in and demand from the stockholders the sums by them respectively subscribed for capital stock in such payments and at such times as they may deem proper.

Seventh Collect assessments and place liens

To levy and collect assessments upon the subscribed capital stock of the company in the manner and form and to the extent provided by the laws of the State of California, and to take all proceedings necessary for the foreclosure, and to foreclose, any and all liens on property of the stockholders, created by these by laws or by contract with the stockholders, to secure the payment of assessments levied or to be levied.

Eighth Rules and regulations for water district, collect costs and expenses incurred

To make rules and regulations for the distribution of water to the stockholders and to the owners of lots of land; to collect from the stockholders the costs and expenses incurred, or to be incurred, in the supply and distribution of water; to accumulate a fund to meet such costs and expenses; to foreclose any and all liens created by these by laws or by contract with the stockholders to secure the payment of such costs and expenses.

Ninth Alter, repeal, amend by laws

To alter, repeal, or amend, from time to time and at any time, these by laws, and any and all amendments of the same; and from time to time and at any time to make and adopt such new or additional by laws as may be necessary or proper for the government of the corporation, or the regulation and conducting of its business and affairs; and the power to alter, repeal or amend these and any and all by laws or amendments thereof that may be, at any time, in force, and to adopt new or additional by laws, is hereby delegated to and conferred upon the Board of Directors.

Tenth Other rules and regulation

The Forest Lakes Board of Directors may, at its sole discretion, make rules and regulations to preserve healthy and safe water distribution and road systems.

Eleventh Fire protection reservoir / recreational purpose, rules and regulations of facility

To provide, at their sole discretion, a fire protection reservoir which may from time to time be used for recreational purposes as deemed desirable by the Board of Directors for the benefit of the stockholders and authorized guests and renters of the stockholder. All necessary rules and regulations for the operation and use of all such facilities can be made as the directors may deem appropriate.

Twelfth Advisory Committees

To appoint and dissolve such advisory committees of the stockholders, or their authorized representatives, as deemed appropriate from time to time to consult, study and advise on matters affecting the operation of the Water Company, the maintenance of roadways, and the health and safety of the stockholders and their authorized guests of the Forest Lakes Tract and other matters determined by the Board of Directors.

BY LAW V Vacancies in the Board of Directors

Section 1 Vacancy in the office of director

Whenever any vacancy occurs in the office of director such vacancy shall be filled by an appointee of the Board of Directors, and the person so appointed shall hold office until a successor is elected.

BY LAW VI Election of directors

Section 1 Election by stockholders, term of office, votes

The directors shall be elected annually by the stockholders at the annual meeting of the stockholders. Their term of office will be for two (2) years, shall begin immediately after election and shall continue until their successors are elected. There being seven directors on the board, either three or four directors shall be elected in alternate years. All elections for directors shall be by ballot. At all elections, or stockholder votes had for any purpose, there must be twenty percent (20%) of the subscribed capital stock represented either in person, by proxy in writing, or by absentee ballot, and every person acting therein, in person, by proxy, or by absentee ballot, or representative of a bona fide stockholder who must have stock in their own name on the stock books of the corporation at least ten days prior to the election.

Section 2 Accumulative voting

Voting shall not be accumulative.

Section 3 Quorum

If at any time a quorum is not present at the annual meeting of the stockholders, at which time an election is to occur, the term of each director shall be extended an additional year or until a special meeting is duly called at which time an election can be properly conducted.

Section 4 Election of officers

Immediately following a stockholders meeting and election of directors, the Board of Directors shall meet and elect the officers. If there is no quorum to conduct an election the Board of Directors shall meet to elect the officers.

BY LAW VII President

Section 1 Power and duties

The powers and duties of the president are:

First Preside at meetings

To preside at all meetings of the stockholders and of the Board of Directors.

Second Special meetings

To call special meetings of the stockholders and also of the Board of Directors, to be held at the office or principal place of business of the company, at such time as the president shall deem proper.

Third Affix Signature

To affix the signature of the corporation to all deeds, conveyances, mortgages, leases, promissory notes, contracts, obligations, certificates and other papers and instruments in writing that may require the same, and to supervise and control, subject to the direction of the Board of Directors, all the officers, agents, and employees of the company.

Section 2 Power and duties out of state

All the powers and duties hereby or by law conferred or imposed upon the president may be exercised and performed by the president either within the State of California or elsewhere.

Section 3 President pro tem

If the president or vice-president is not present at any meeting of the Board of Directors, or of the stockholders, a president pro tem may be chosen to preside and act at such meeting.

BY LAW VIII Vice president

Section 1 Absence of president

In case of absence or disability of the president, the vice-president shall take the presidents place and perform all duties, and, subject to the above condition as to absence, the name “president’ in these by laws shall also mean the vice-president. The vice-president shall also have such other powers and duties as are assigned by these by laws or by the Board of Directors.

BY LAW IX Secretary

Section 1 Power and duties

The powers and duties of the secretary are:

First Record of proceedings

To keep full and complete record of the proceedings of the Board of Directors and of the meetings of the stockholders.

Second Corporate seal

To keep the seal of the corporation and to affix the same to all instruments executed by the president which may require it.

Third Countersign stock

To countersign all certificates of stock.

Fourth Publication of notices

To make service and publication of all notices that may be necessary or proper, and without command or direction from anyone. In case of the absence, inability, refusal or neglect of that secretary to make service or publication of any notices, then such notices may be served and published by the president or vice-president, or by any person thereto authorized by either of them or by the Board of Directors.

Fifth Control of accounts and books

To supervise and control the keeping of the accounts and books of the Company.

Sixth Transfer shares on stock books

To transfer upon the stock books of the Company any and all shares of its stock, provided, however, that no certificate of stock shall be issued or delivered, or if issued or delivered shall have any validity whatsoever, until and unless it has been signed by the president or vice-president of the corporation.

Seventh Perform all duties that pertain

Generally to do and perform all such duties as pertain to the office of secretary and as may be required by the Board of Directors.

Section 2 Assistant secretary duties and obligations

In case of the creation by the Board of Directors of the office of assistant secretary, then such assistant secretary, in the absence of the secretary from the place of business or office of the company, shall be and is hereby empowered to perform all the duties and obligations of the secretary with like effect; and, subject to the above conditions of absence, the name "secretary" in these by laws shall also mean assistant secretary. The assistant secretary shall further have such powers and duties as are assigned by these by laws, or as may be assigned by the Board of Directors.

BY LAW X Treasurer

Section 12 Powers and duties

The powers and duties of the treasurer shall be to safely keep all moneys of the corporation which may be deposited with such treasurer from time to time, and to pay out said moneys upon the checks or drafts of the president, countersigned by the treasurer, and generally to do and perform all such other duties as pertain to the office of treasurer as may be required by the Board of Directors.

BY LAW XI Meetings

Section 1 Regular annual stockholder meetings, quorum and voting requirements, proxies, special stockholder meetings

There shall be a regular annual meeting of the stockholders of this corporation at a time and place designated by the Board of Directors. Unless otherwise announced, the annual meeting shall be on the Sunday following June 1st, at 1:00 p.m.

At least ten (10) days before the holding of any special meeting of the stockholders, notice thereof shall be sent through the mail to each stockholder, addressed to the stockholder at their residence or place of business. If neither the residence nor place of business is known, notification will be mailed to the address for which water is provided.

At all meetings of the stockholders (whether regular, special or adjourned) persons representing twenty percent (20%) of the subscribed capital stock, either in person, by proxy in writing or by absentee ballot, shall constitute a quorum. At all meetings of the stockholders (whether regular, special or adjourned), each share of stock shall entitle the duly qualified holder thereof to one vote.

A qualified holder of capital stock, for voting purposes or Board candidacy, shall be deemed qualified only when all assessment payments have been recorded and verified as current. Nonpayment of assessments invalidates any right or authority to vote or act at any and all meetings of the stockholders, (whether regular, special or adjourned).

All proxies shall be in writing, subscribed by the party entitled to vote the number of shares represented thereby, and no such proxy shall be valid or confer any right or authority to vote or act thereunder, unless such proxy has been offered for filing to, and left with, the secretary of the corporation prior to the meeting at which the same is to be used; but in case any meeting of stockholders whatsoever (whether regular, special or adjourned) shall have been for any cause adjourned, proxies shall be valid and may be used at such adjourned meeting which have been offered for filing to, and left with, the secretary of the corporation prior to the date upon which said adjourned meeting shall be in fact held. Any business which might be done at a regular meeting of the stockholders may be done at a special or at an adjourned meeting. If no quorum be present at any meeting whatsoever of the stockholders (whether regular, special or adjourned), such meeting may be adjourned by those present from day to day, or from time to time, until such quorum be obtained, such adjournment and the reasons therefor being recorded in the journal of the proceedings of the stockholders.

Special meetings of the stockholders may be called and held at any time by order of the president, and the president shall at any time call a special meeting of the stockholders upon written request of two or more directors of the corporation.

Section 2 Regular and special board meeting requirements, director vote by telephone

All regular meetings of the Board of Directors shall be at the office of the corporation, each and every month. The date and time of these meetings shall be decided upon by a majority of the Board of Directors. Notice of such regular meeting time and the proposed agenda shall be clearly posted at the office of the corporation at least four days prior to the meeting.

Special meetings of the Board may be called at any time by order of the president, and the president shall at any time call a special meeting of the Board of Directors, upon a written request of two or more of said directors. Written or printed notice of the time, place and agenda of a special meeting of the Board of Directors shall be made at least four days prior to such meeting at the residence or place of business of each director and shall be clearly posted at the office of the corporation., Such service of notice shall be entered in the minutes of the corporation, and said minutes, upon being read and approved at a subsequent meeting of the Board of Directors, shall be conclusive upon the question of notice.

Any business which might be done at a regular meeting of the Board of Directors may be done at a special meeting of the Board.

Stockholders are welcome to attend and are permitted to speak for a period of three minutes each at all but executive session meetings.

An emergency meeting of the board may be called if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board. In the event of an emergency, electronic transmissions may be used as a method of conducting an emergency meeting if all members of the board, consent in writing to that action, and if the written consent(s) are filed with the minutes of the meeting of the board. These written consents may be transmitted electronically.

BY LAW XII Indemnification of directors, officers, employees, and other agents

Section 1 Definition of director

For the purposes of this by law, a director means any person who is or was a director.

Section 2 Serve in good faith and in best interest

A director shall perform the duties of a director, including duties as a member of any committee of the Board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

Section 3 Rely on various data

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including Financial Statements or other financial data, in each case prepared or presented by:

First Data supplied by officers or employees

One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented.

Second Data supplied by counsel, accountants

Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence, or

Third Data supplied by committees

A committee of the board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as, in any case, the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 4 Liability of director

A person who performs the duties of a director in accordance with Section 2 and Section 3 shall have no liability based upon any alleged failure to discharge their obligations as a director.

Section 5 Liability of agents or others

All agents or others, as determined by a director, acting on behalf of Forest Lakes Mutual Water Company shall be indemnified in accordance with and to the full extent in the California Corporations Code.

Section 6 Legal obligations and expenses

This corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this corporation to procure a judgment in its favor by reason of the fact that person is or was an agent of this corporation, against expenses actually and reasonably incurred by that person in accordance with the applicable sections of the California Corporation Codes.

Adoption of corporation by laws March 16, 1925

KNOW ALL MEN BY THESE PRESENTS: That We, the undersigned, being the holders and owners of all of the subscribed capital stock of Forest Lakes Mutual Water Company, namely, Walter S. Brann, B. S. Noyes, George H. Hoyt, J., A. Martenstein and I. Lindemann, owning and holding one (1) share each of said capital stock, hereby assent to the foregoing By-Laws, and adopt the same as the By-Laws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 16th day of March, 1925.

(Signed)	Walter S. Brann, Stockholder	(Signed)	George H. Hoyt, Stockholder
(Signed)	B. S. Noyes, Stockholder	(Signed)	J. A. Martenstein, Stockholder
(Signed)	I. Lindemann, Stockholder		

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, directors and secretary of the corporation known as and called the Forest Lakes Mutual Water Company, do hereby certify that the above and foregoing By-Laws were adopted as the By-Laws of said corporation, on the 16th day of March, 1925, and that the same do now constitute the By-Laws of said corporation.

(Signed)	Walter S. Brann, Stockholder	(Signed)	George H. Hoyt, Stockholder
(Signed)	B. S. Noyes, Stockholder	(Signed)	J. A. Martenstein, Stockholder
(Signed)	I. Lindemann, Stockholder	(Signed)	Jane R. Robinson, Secretary of Forest Lakes Mutual Water Co.

Amendment of corporation by laws June 28, 1980

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, directors of the corporation known as and called the Forest Lakes Mutual Water Company, do hereby certify that the above and foregoing By Laws were amended as the By Laws of said corporation, on the 28th day of June, 1980, and that the same do now constitute the By Laws of said corporation.

(Signed)	Harry Butz, Director	(Signed)	Robert Muir, Director
(Signed)	Kenneth Burke, Director	(Signed)	B. Frank Summers, Director
(Signed)	Frank C. Smith, Jr., Director	(Signed)	Ray Queheillalt, Director

Amendment of corporation by laws September 8 and November 10, 1987

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, president and secretary-treasurer of the corporation known as and called the Forest Lakes Mutual Water Company, do hereby certify that the above foregoing Bylaws were amended by the directors of said corporation as the Bylaws of said corporation by resolution, on the eighth day of September, 1987 and on the tenth day of November, 1987, and that the same do now constitute the Bylaws of said corporation.

(Signed) Robert Ciapponi, President (Signed) Janelle Taylor, Secretary-Treasurer

Amendment of corporation by laws December 11, 2001

KNOW ALL PRESENT: That we, the undersigned, directors of the corporation known as and called the Forest Lakes Mutual Water Company, do hereby certify that the above and foregoing By Laws were amended as the By Laws of said corporation, on the 11th day of December, 2001, and that the same do now constitute the By Laws of said corporation.

Hillary Wilson, President	Agnes Lupini, Secretary/Treasurer
Mary Carroll, Director	John Purchase, Director
Scott Greco, Director	Michael Bini, Director
David Ellison, Director	Keith Cicero, Director

REV xx/xx/xx

NOTE:

REV xx/xx/xx on the left hand side of the bylaws indicates the date of adoption of a change or deletion or addition or a new paragraph.

Restatement of corporation by laws November 13, 2018

KNOW ALL PRESENT: That we, the undersigned, directors of the corporation known as and called the Forest Lakes Mutual Water Company, do hereby certify that the above and foregoing By Laws were amended as the By Laws of said corporation, on the 13th day of November, 2018, and that the same do now constitute the By Laws of said corporation.

(signed) David Wade, President (signed) Louise West, Secretary/Treasurer

ARTICLES OF INCORPORATION Forest Lakes Mutual Water Company

Exhibit "A" forming of the corporation

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, all of whom are citizens and residents of the State of California, have this day voluntarily associated Ourselves together for the purpose of forming a corporation under the laws of the State of California.

AND WE HEREBY CERTIFY:

1. Name of corporation

That the name of said corporation shall be FOREST LAKES MUTUAL WATER COMPANY.

2. Purpose for which formed

That the purposes for which it is formed are as follows: To furnish, supply and distribute water at cost, to and for its stockholders only, for domestic and all other useful purposes in proportion to the number of shares of such stock held by them respectively, but for such purposes only to owners of lots within Forest Lakes Tract, consisting of six hundred and sixteen (616) acres near Felton, Santa Cruz County, California, being part of the Rancho Canada del Rincon, and adjacent property. But the distribution and delivery of all water shall be at such times, and in such manner, and subject to such charges, toll, rules and regulations as may be established and fixed by the by laws of said corporation, or by the Board of Directors thereof, in the absence of any by law establishing and fixing the same, and such by laws may provide for a different charge or toll for different classes of service or for the same or similar service where the cost to the corporation of such service may not be uniform. In carrying out said purposes, it shall have power, among other things:

(a) Lands, water, water rights, water works, roads, easements, real and personal property

To acquire, purchase, own, hold, condemn, incumber by deed of trust, mortgage or otherwise, lands, water, water rights, water works, roads on Forest Lakes Tract, easements and real and personal property of every kind and description.

(b) Bonds, securities and shares of stock

To purchase or otherwise acquire, bonds, securities and shares of stock of this and other corporations.

(c) Maintain roads, buildings, artesian wells, pumping plants, dams, conduits, tunnels, reservoirs, pipe lines, water system and ditches

To construct, operate and maintain roads on said Forest Lakes Tract, buildings, artesian wells, pumping plants, dams, conduits, tunnels, reservoirs, pipe lines, water system and ditches.

(d) Property of corporation

To construct, operate and maintain roads on said Forest Lakes Tract, buildings, artesian wells, pumping plants, dams, conduits, tunnels, reservoirs, pipe lines, water system and ditches.

(e) Acts to carry out foregoing purposes

To do every act and thing that may be necessary or convenient to carry out any or all of the foregoing purposes in all their branches, whether such purposes be specifically stated herein or not.

(f) Corporation to be mutual and non-profit

Nothing herein contained shall authorize or be construed to permit said corporation to own, control, operate or manage for compensation, any water system, electrical plant or pipe line or to carry on the business of any public utility, nor shall anything herein contained authorize or be construed as permitting the accumulation of any funds by said corporation for the purpose of pecuniary profit; it being the intent and purpose of this corporation to be mutual and without profit to any of its stockholders, and all of the water system shall be used, operated and maintained without any compensation therefor; but that nothing herein contained shall abridge or impair the power of this corporation to levy assessments for any of the purposes mentioned in Section 331 of the Civil Code of the State of California, or to issue bonds, anything herein contained to the contrary notwithstanding.

(g) Stock title transfer

Each share of stock, except the incorporators' shares herein issued by the corporation, shall be appurtenant to and pass with the title to each lot of land in the Forest Lakes Tract to which and for which it is issued.

(h) Dividends

This corporation shall have no power to declare dividends out of any surplus moneys which may be accumulated, or transact business for profit, and shall exercise such acts or powers only as are incidental to the main purpose for which this corporation is formed, to-wit; To supply its stockholders with water.

3. Principal place of business

The place where its principal business is to be transacted shall be the community property of the corporation in Forest Lakes, Santa Cruz County, California.

4. Term of existence

That the term for which it is to exist is perpetual from and after the date of its incorporation.

5. Number of directors shall be seven (7)

The number of its directors shall be seven.

Name & Residence

B.S. Noyes, Oakland, CA
Walter S. Brann, Piedmont, CA
J. A. Martenstein, Oakland, CA

Name & Residence

Geo. H. Hoyt, Berkeley, CA
Ida Lindemann, San Francisco, CA

6. Amount of stock

That the amount of the capital stock of this corporation shall be Two Thousand (\$2,000.00) Dollars, divided into two thousand (2,000) shares of par value of One (\$1) Dollar each.

7. Subscribers of stock

That the amount of said capital stock which has been actually subscribed is Five (\$5) Dollars, and the following are the names of the persons by whom the same has been subscribed:

<i>Number of Subscribers</i>	<i>Number of Shares</i>	<i>Amount</i>
B. S. Noyes	1	\$1.00
Walter S. Brann	1	\$1.00
J. A. Martenstein	1	\$1.00
Geo. H. Hoyt	1	\$1.00
Ida Lindemann	1	\$1.00

Witnesses signatures January 31, 1925

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 31st day of January, 1925.

(signed) B. S. Noyes
Walter S. Brann
J. A. Martenstein
Geo. H. Hoyt
Ida Lindemann

8. Quorum

That a quorum shall consist of Twenty Percent (20%) of the shares entitled to vote.

REV 05/22/90

Notary signatures January 31, 1925

STATE OF CALIFORNIA
City and County of San Francisco. (SEAL)

On this 31st day of January, A. D., 1925, before me, D. B. RICHARDS, A Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared B. S. Noyes, Walter S. Brann, J. A. Martenstein, Geo. H. Hoyt, and Ida Lindemann known to me to be the persons whose names are subscribed to the within instrument, and they acknowledge to me that they executed the same. WITNESS my hand and official seal at said City and County.

(signed) D. B. RICHARDS

Notary Public in and for the City
and County of San Francisco,
State of California.

(SEAL)

(Endorsed)

FILED in the office of the Secretary

of State of the STATE OF CALIFORNIA

FEB. 13, 1925

FRANK C. JORDAN, Secretary of State

By Robert V. Jordan, Deputy