

**AMENDED AND RESTATED
BYLAWS OF
ATASCADERO MUTUAL WATER COMPANY
A CALIFORNIA CORPORATION
(as of June 9, 1993)**

**ARTICLE I
Name**

The name of this corporation is and shall be "Atascadero Mutual Water Company" and for convenience shall be referred to herein as the "Company" or the "Corporation."

**ARTICLE II
Principal Office**

The principal office for the transaction of the business of the Corporation is fixed and located at 5005 El Camino Real, Atascadero, California 93422. The Board of Directors may change the principal office from one location to another in this county. Any change in this location shall be noted by the Secretary in these Bylaws opposite this section or this section may be amended to state the new location.

**ARTICLE III
Objects and Purposes**

Section 1. SCOPE OF BYLAWS.

These Bylaws are adopted for the regulation of the property rights, powers, privileges, duties and obligations of the shareholders, the Board of Directors, and the officers of the Company. Insofar as they are not inconsistent with the Articles of Incorporation or applicable statutes of the State of California, now existing or hereafter adopted or enacted, these Bylaws shall be conclusive of all matters hereinafter contained.

Section 2. PURPOSE OF THE COMPANY.

It is the purpose of this Company to acquire and hold water and water rights and to construct and maintain waterworks and distribution facilities for the purpose of furnishing and distributing water for domestic and irrigation purposes to its shareholders at cost, including use of works and distribution facilities for conserving, treating and reclaiming water and providing waste water treatment at cost. Water shall be sold, distributed, supplied, or delivered only to the owners of shares of the Company.

Subject to restrictions, if any, contained in the Articles of Incorporation, the Company may, in the discretion of the Board of Directors, engage in and conduct such other activities as may be lawful for a mutual water

company operating in compliance with existing federal and state laws and regulations applicable to mutual water companies.

Section 3. SERVICE AREA.

As used herein, the "Service Area" means the Ranch known and called the J. H. Henry Ranch, situated in the County of San Luis Obispo, State of California, and particularly described in a certain deed recorded in the office of the County Recorder of San Luis Obispo County in Book A7 of Trust Deeds at page 236 et seq., and also certain lands in the vicinity of said Ranch.

**ARTICLE IV
Shareholders and Ownership Rights**

Section 1. RIGHT TO RECEIVE WATER.

The Corporation shall provide water to all shareholders of the Corporation, provided each such shareholder has complied with conditions for service. No water shall be sold, distributed, supplied or delivered to any person or organization who is not a shareholder of the Corporation, except as otherwise required by applicable laws or regulations. Water shall be deemed sold, distributed, supplied and delivered to a shareholder if it is distributed, supplied and delivered to land owned by a shareholder within the Service Area, even if it is actually paid for or used by a lessee of such land. The Corporation shall have the right to require the owner or lessee to provide the Corporation with a copy of the lease, as a condition of providing water service.

Section 2. SHAREHOLDERS.

Shareholders of the Company shall be limited to the owner or owners of each lot or parcel of real property within the Service Area.

Section 3. QUALIFICATIONS FOR OWNERSHIP.

Any natural person or persons, partnership, association, corporation or other type of organization which is the owner of a lot or parcel of land situated within the Service Area shall be eligible to be a shareholder of the Company, subject to the provisions of California Civil Code Section 330.24 requiring the Secretary to cancel any stock appurtenant to any lands owned or purchased by the State of California, or any department or agency thereof, or any school district, or public agency.

Section 4. STOCK APPURTENANT TO LAND.

Stock in the Company is appurtenant to the land in accordance with the provisions of California Civil Code Section 330.24. Each full acre of land within the Service Area shall be entitled to have five shares of stock appurtenant thereon, and each lot or parcel within the Service Area and comprised of less than a full acre shall be entitled to have one share of stock

appurtenant thereto for each full one-fifth of an acre; provided, however, that each lot or parcel within the Service Area and containing less than one-fifth of an acre shall be entitled to have one share of stock appurtenant thereto.

Fractional shares shall not be issued.

In the event that any shareholder transfers any lot or parcel of land to which his shares are appurtenant, such transfer shall also act as a transfer of the shares appurtenant to that particular lot or parcel to its new owner.

Water may be used only on the land to which the shares representing the right to receive water are appurtenant.

Section 5. TRANSFER OF STOCK.

Shares of stock in the Company are not transferable except as part of the conveyance of the lot or parcel of real property for which such shares are issued and appurtenant.

Section 6. CLASSES OF STOCK.

There shall be one class of stock in the Company, that being common stock.

Section 7. STOCK CERTIFICATES.

Certificates of shares of the Corporation shall be issued to each shareholder in such form as the Board of Directors may select. Each certificate shall contain a legend that the shares are subject to restrictions on transfer as set forth in these Bylaws, and such further legends as may be required by law. Each stock certificate shall contain a description of the land for which it is issued and shall be appurtenant thereafter to that land.

Section 8. VOTING RIGHTS.

Each shareholder shall be entitled to one vote for each share owned on each matter submitted to a vote of the shareholders.

Voting may be by voice or ballot, provided that any vote on any matter that is not purely procedural must be by ballot if demanded by any shareholder before the voting begins. Matters that are purely procedural shall include, without limitation, issues regarding adjournment and appointment of inspectors of election.

Each shareholder shall have the right to vote or execute consents either in person or by the one or more agents authorized by a written proxy executed by such shareholder or his duly authorized agent and filed with the Secretary of the Company. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 9. DIVIDENDS.

No gains, profits, dividends or interest shall be declared, payable, or paid upon the shares of stock issued by the Company.

Section 10. LOST CERTIFICATES.

Except as provided in this section, no new certificate for shares shall be issued in lieu of an old one unless the latter is surrendered and canceled at the same time. The Board of Directors may, however, in case any certificate for shares is alleged to have been lost, stolen or destroyed, authorize the issuance of a new certificate in lieu thereof, and the Corporation may require that the Corporation be given a bond or other adequate security sufficient to indemnify it against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft or distribution of such certificate on the issuance of such new certificate, in addition to the requirements of Division 8 of the California Commercial Code.

ARTICLE V
Meetings of Shareholders

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held either at the principal executive office of the Corporation or at any other place designated by the Board of Directors.

Section 2. ANNUAL MEETINGS.

The annual meetings of shareholders shall be held on the second Wednesday of May, at 7:00 p.m., local time, or such other date or such other time as may be fixed by the Board of Directors. At such meetings, directors shall be elected and any other proper business may be transacted.

The Board of Directors shall nominate candidates for director for each annual meeting. In addition, a shareholder may nominate himself as a candidate for director either by announcing such nomination at the annual meeting or by giving written notice of such nomination to the Secretary at least 21 days prior to the annual meeting. Ballots for director elections shall include the names of the candidates nominated by the Board of Directors and the candidates who have given such prior written notice to the Secretary. Ballots shall also include spaces for the names of candidates who may be nominated at the meeting. The candidates, up to the number of directors to be elected, receiving the highest number of votes shall be elected.

Section 3. SPECIAL MEETINGS.

Special meetings of the shareholders may be called at any time by the Board of Directors, the President, or by the holders of shares entitled to cast not less than ten percent (10%) of the votes at such meeting. Upon request in writing to the President, any Vice President or the Secretary by any person (other than the Board of Directors) entitled to call a special meeting of shareholders, the officer forthwith shall cause notice to be given to the shareholders entitled to vote that a meeting will be held at a time requested by the person or persons calling the meeting, not less than 35 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons entitled to call the meeting may give the notice.

Section 4. NOTICE OF ANNUAL OR SPECIAL MEETINGS.

Written notice of each annual or special meeting of shareholders shall be given not less than 10 (or, if sent by third-class mail, 30) nor more than 60 days before the date of the meeting to each shareholder entitled to vote thereat. Such notice shall state the place, date, and hour of the meeting and (a) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (b) in the case of the annual meeting, those matters which the Board of Directors, at the time of the mailing of the notice, intends to present for action of the shareholders, but, subject to the provisions of applicable law, any proper matter may be presented at the meeting for such action, either by the Board of Directors or by any shareholder. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the time of the notice to be presented by the Board of Directors for election.

Notice of a shareholders' meeting shall be given either personally or by first-class mail, or, if the Corporation has outstanding shares held of record by 500 or more persons (determined as provided in Section 605 of the California General Corporation Law) on the record date for the shareholders' meeting, notice may be sent by third-class mail or by other means of written communication, addressed to the shareholder at the address of such shareholder appearing on the books of the Corporation or given by the shareholder to the Corporation for the purpose of notice; or, if no such address appears or is given, at the place where the principal executive office of the Corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal executive office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

Section 5. QUORUM.

Unless otherwise provided in the Articles of Incorporation, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders. The affirmative vote of the majority of the shares represented and voting at a duly held meeting at which a

quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum) shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by law and except as provided in the following sentence. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum, unless the vote of a greater number is required by law.

Section 6. ADJOURNED MEETINGS AND NOTICE THEREOF.

Any shareholders' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the shares represented either in person or by proxy, but in the absence of a quorum (except as provided in Section 5 of this Article) no other business may be transacted at such meeting.

It shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement at the meeting at which such adjournment is taken; provided, however, when any shareholders' meeting is adjourned for more than 45 days or, if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 7. WAIVER OF CONSENT BY ABSENT SHAREHOLDERS.

The transaction at any annual or special shareholders' meeting, however called or noticed, shall be as valid as if held after valid call and notice if a quorum is present, either in person or by proxy, and if, either before or after the meeting, each person entitled to vote and not present in person or by proxy signs either a written waiver of notice, a consent to hold the meeting, or an approval of the minutes of the meeting. Each waiver, consent, or approval given under this section shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. RECORD DATE.

The Board of Directors may fix, in advance, a record date for the determination of the shareholders entitled to notice of any meeting or to vote. The record date so fixed shall be not more than 60 nor less than 10 days prior to the date of the meeting, nor more than 60 days prior to any other action. If no record date is fixed by the Board of Directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution thereto, or the sixtieth day prior to the date of such other action, whichever is later.

Section 9. MULTIPLE OWNERSHIP.

If shares stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, voting trustees, persons entitled to vote under a shareholder voting agreement, or otherwise, unless the Secretary of the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

- (a) If only one votes, such vote binds all;
- (b) If more than one vote, the act of the majority so voting binds all;
- (c) If more than one vote, but the vote is evenly split on any particular matter, each fraction may vote the securities in question proportionately.

Section 10. CONDUCT OF MEETING.

The President shall preside as chairman at all meetings of the shareholders. The chairman shall conduct each such meeting in a businesslike and fair manner, but shall not be obligated to follow any technical, formal or parliamentary rules or principles of procedure. The chairman's rulings on procedural matters shall be conclusive and binding on all shareholders, unless at the time of a ruling a request for a vote is made to the shareholders entitled to vote and represented in person or by proxy at the meeting, in which case the decision of a majority of such shares shall be conclusive and binding on all shareholders. Without limiting the generality of the foregoing, the chairman shall have all of the powers usually vested in the chairman of a meeting of shareholders.

Section 11. ACTION WITHOUT A MEETING.

Except as otherwise provided in this section, any action that may be taken at any annual or special meeting of the shareholders may be taken without a meeting and without prior notice if a consent in writing, setting forth the action, is signed by the holders of outstanding shares having at least the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all the shares entitled to vote on the action were present and voted.

Directors may be elected without a meeting only by the unanimous written consent of all the shares entitled to vote for the election of directors; provided, however, that, in the case of a Board vacancy that has not been filled by the directors and was not caused by removal, directors may be elected by the

written consent of a majority of the outstanding shares entitled to vote for directors.

Unless the consent of all shareholders entitled to vote has been solicited in writing or unless approval is by unanimous consent, the following requirements apply to actions taken or approved without a meeting:

(a) Notice of any shareholder approval pursuant to Corporations Code sections 310 (interested directors), 317 (indemnification of corporate agents), 1201 (reorganizations) or 2007 (distribution not in accordance with rights of preferred shares) shall be given at least 10 days prior to the consummation of the action authorized by the approval.

(b) Notice of any other corporate action approved by shareholders without a meeting by less than unanimous written consent must be given promptly.

In each case, notice shall be given to those shareholders entitled to vote who have not consented in writing.

ARTICLE VI Directors

Section 1. POWERS GENERALLY.

Subject to the provisions of the California General Corporation Law and any limitations in the Articles of Incorporation relating to action required to be approved by the shareholders by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the Corporation to a management company or other person provided that the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

Section 2. POWERS TO ESTABLISH RATES, CHARGES, RULES AND REGULATIONS.

Without limiting the generality of Section 1 of Article VI, the Board of Directors shall have the following specific powers with respect to establishment of rates, charges, rules and regulations:

(a) The Board of Directors shall from time to time prescribe the charges to be paid by the shareholders for water or other services in connection with the supplying of water or other services to shareholders, and may levy and collect service charges or other charges for the purpose of providing necessary funds for the Corporation or for any other purpose permitted by law consistent

with the Articles of Incorporation and these Bylaws. The amount of any of these charges or tolls shall be in the sole determination of the Board of Directors.

(b) The Board of Directors may make all rules and regulations it deems necessary pertaining to the distribution of water and the operation of the water system, provided that the distribution shall be proportional to the number of shares held by the shareholders. The Board of Directors may provide in such rules that violation of such rules or failure to pay charges or tolls for water service shall, upon reasonable notice, result in a discontinuance of water service.

(c) The Board of Directors may make and enforce all rules and regulations permitted by law and by them determined necessary to enforce these provisions and for all proper purposes of the Corporation.

(d) The Board of Directors shall, at such times as land within the Service Area is subdivided or improved, determine the cost of connection of water services for that area and any additional charges based on the cost of expanding the system to serve that area.

(e) The Board of Directors shall establish a rate structure which will result in the accumulation and maintenance of a fund for the repair and replacement of the water supply, distribution and fire protection system (the "repair and replacement fund"), which rate must bear a reasonable relationship to the cost of furnishing water. Unimproved lots included within the Service Area must bear a proportionate share of the cost of repair and replacement of the Corporation's water supply, distribution and fire protection system, as well as a proportionate share of the cost of maintaining the repair and replacement fund.

(f) In the event the Corporation purchases water for distribution from a public utility, municipal water company or water district, the Board of Directors shall establish a rate structure for charging all shareholders a pro rata amount of the cost of water supplied to an entity providing fire protection service.

Section 3. NUMBER AND QUALIFICATIONS OF DIRECTORS.

The authorized number of directors shall be five, all of whom shall be owners of land or officers of a corporation or general partner(s) of a partnership which is an owner of land situated within the Service Area of the Company.

Section 4. ELECTION AND TERM OF OFFICE.

At each annual shareholders' meeting, directors shall be elected to hold office until the next annual meeting. Each director shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 5. VACANCIES.

Any director may resign effective upon giving written notice to the President, the Secretary or the Board of Directors, unless the notice specifies a later date for the effectiveness of said resignation.

Vacancies in the Board of Directors, except those existing as a result of a removal of a director, may be filled by approval of the Board of Directors, or, if the number of directors then in office is less than a quorum, by the unanimous written consent of the directors then in office, the affirmative vote of a majority of directors then in office at a meeting held pursuant to notice or waivers of notice, or by a sole remaining director. Each director so appointed shall hold office until the next annual meeting and until a successor has been elected and qualified.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

Section 6. PLACE OF MEETING.

Regular and special meetings of the Board of Directors shall be held at any place as designated by resolution of the Board of Directors or, either before or after the meeting, consented to in writing by all the Board members. If consents are given, they shall be filed with the minutes of the meeting. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation.

Section 7. ORGANIZATION MEETING.

Immediately after each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting shall not be required.

Section 8. REGULAR MEETINGS.

Regular meetings of the Board of Directors shall be held, if so specified in a resolution adopted by the Board of Directors, at the time and place specified in such resolution. Notice of such meetings shall not be required.

Section 9. SPECIAL MEETINGS.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President, Vice-President or Secretary, or any two directors.

Section 10. NOTICE OF SPECIAL MEETING.

Special meetings of the Board of Directors ^will be held upon four days' notice by mail or 48 hours' notice delivered personally or by telephone or telefax.

Section 11. QUORUM.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13. Every act or decision made by a majority of the directors present at a meeting at which a quorum is present shall be regarded as the act of the Board of Directors, unless the vote of a greater number is required by law or by the Articles of Incorporation.

Section 12. WAIVER OF NOTICE.

Notice of a meeting need not be given to any director who signs a written waiver of notice, a consent to holding the meeting, or approval of its minutes, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 13. ADJOURNMENT.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 14. ACTION WITHOUT MEETING.

The Board of Directors may take any action without a meeting that may be required or permitted to be taken by the Board of Directors at a meeting, if all the members of the Board of Directors individually or collectively consent in writing to the action. The written consent or consents shall be filed in the minutes of the proceedings of the Board of Directors. The action by written consent shall have the same effect as the unanimous vote of the directors.

Section 15. COMPENSATION.

Directors and members of committees may receive such reasonable compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board of Directors.

Section 16. COMMITTEES.

The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors, and delegate to such committees any of the authority of the Board of Directors, except those matters prohibited by Section 311 of the California Corporations Code. The appointment of members of a committee requires the vote of a majority of the authorized number of directors.

ARTICLE VII
Officers

Section 1. OFFICERS.

The officers of the Corporation shall be the President, the Vice-President, the Secretary and a Chief Financial Officer. The Board of Directors may also elect, in its discretion, other officers, including one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers.

Section 2. APPOINTMENT.

The officers of the Corporation shall be chosen by the Board of Directors and serve at the pleasure of the Board of Directors.

Section 3. REMOVAL AND RESIGNATION.

Any officer may be removed either with or without cause by the Board of Directors at any time. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment of the officer.

An officer may resign at any time by giving written notice to the Board of Directors or the President, without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. An officer's resignation shall take effect when it is received or at any later time specified in the resignation. Unless the resignation specifies otherwise, its acceptance by the Corporation shall not be necessary to make it effective.

Section 4. PRESIDENT.

The President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the shareholders and at all meetings of the Board of Directors. He shall be ex-officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 5. VICE-PRESIDENT.

In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the Bylaws.

Section 6. SECRETARY.

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office or at the office of the Corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all meetings of the shareholders and of the Board of Directors required by the Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

Section 7. CHIEF FINANCIAL OFFICER.

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. The books of account shall at all reasonable times be open to inspection by any director.

The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all of his transactions as Chief Financial Officer and of the financial condition of the Corporation and shall have such powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

Section 8. COMPENSATION.

The salaries of the officers and other persons employed by the Corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, provided that said compensation shall be reasonable and shall be limited by the market value for an employee in a like position in a like community. No officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Corporation.

ARTICLE VIII
General Corporate Matters

Section 1. INSPECTION OF CORPORATE RECORDS.

(a) A shareholder or shareholders holding at least five percent in the aggregate of the outstanding voting shares of the Corporation shall have an absolute right to do either or both of the following:

(i) Inspect and copy the record of shareholders' names and addresses and shareholdings during usual business hours upon five business days' prior written demand upon the Corporation; or

(ii) Obtain from the transfer agent, if any, for the Corporation, upon five business days' prior written demand and upon the tender of its usual charges for such a list (the amount of which charges shall be stated to the shareholder by the transfer agent upon request), a list of the shareholders' names and addresses who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which it has been compiled or as of a date specified by the shareholder subsequent to the date of demand.

(b) The record of shareholders shall also be open to inspection and copying by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on the Corporation, for a purpose reasonably related to such holder's interest as a shareholder or holder of a voting trust certificate.

(c) The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and committees of the Board shall be open to inspection upon written demand on the Corporation of any shareholder or holder of a voting trust certificate at any reasonable time during usual business hours, for a purpose reasonably related to such holder's interest as a shareholder or as a holder of such voting trust certificate.

(d) Any inspection and copying under this Article may be made in person or by agent or attorney.

Section 2. INSPECTION OF BYLAWS.

The Corporation shall keep in its principal executive office the original or a copy of these Bylaws as amended to date, which shall be open to inspection by shareholders at all reasonable times during office hours.

Section 3. DISTRIBUTION OF ANNUAL FINANCIAL STATEMENTS.

The Board of Directors shall cause an annual report of the Corporation to be sent to the shareholders within 105 days of the close of the Corporation's fiscal year. The report shall contain a balance sheet as of the end of that fiscal year and an income statement and statement of changes in financial position for that fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the Corporation that the statements were prepared without audit from the books and records of the Corporation, and such other information as may be required by California law.

Section 4. CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED.

Except as otherwise provided in the Bylaws, the Board of Directors may authorize one or more officers, agents, or employees to enter into any contract to execute any instrument in the Corporation's name and on its behalf. This authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by a contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 5. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The President is authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any shares of any other corporation standing in the name of this Corporation. The authority granted to vote or represent shares held by this Corporation in other corporations may be exercised either in person or through any other person authorized by proxy or power of attorney executed by the President.

Section 6. INTERPRETATIONS AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Corporations Code shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine includes the feminine and neuter, the singular number includes the plural, the plural includes the singular and the term "person" includes both a corporation and a natural person.

Section 7. INHERENT POWERS.

Nothing in the Bylaws or Articles of Incorporation shall prevent the Company from adopting rules and regulations for its operation so long as such rules or regulations are consistent with the Bylaws and Articles of Incorporation.

ARTICLE IX
Amendments

These Bylaws may be amended or repealed either by approval of the outstanding shares (as defined in Section 152 of the California Corporations Code) or by the approval of the Board of Directors, provided that no provision of Article III, Article IV or Section 3 of Article VI of these Bylaws may be amended without approval of the outstanding shares.