

MAY 23 1986

CERTIFICATE OF AMENDMENT OF RESTATED  
ARTICLES OF INCORPORATION OF  
VILLA DEL MONTE MUTUAL WATER CO.

MARCH FONG EU, Secretary of State

We the undersigned, certify that:

1. We are the president and secretary, respectively, of the Villa Del Monte Mutal Water Co. a California corporation organized under the predecessor of, and governed by the general corporation law.

2. Pursuant to the provisions of Section 911 of the Corporations Code of the State of California, the Articles of Incorporation of this Corporation are amended as follows:

RESTATED  
ARTICLES OF INCORPORATION  
OF  
VILLA DEL MONTE MUTUAL WATER CO.

## I

The name of this corporation is VILLA DEL MONTE MUTUAL WATER CO.

## II

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit 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.

The specific purpose of this corporation is to acquire water, by purchase, development or otherwise, and to develop, store, distribute, supply or deliver water for domestic and recreational use solely for the members of the corporation, at actual cost plus necessary expenses, such right to water being appurtenant to the land of such member, and to charge and collect from each and every such member a uniform rate or charge and such additional charge or charges as will equal the cost of supplying water to each user thereof, in proportion to his actual use of such water, provided that the total charges made shall not exceed the cost to this corporation of acquiring, maintaining and operating the distribution system and supplying such water.

## III

All issued and outstanding shares, being all of one class of the general law corporation shall be converted to memberships of the nonprofit mutual benefit corporation, one share for each parcel of real property being converted to one membership for each parcel of real property, so as to provide equal treatment.

## IV

The corporation shall sell, distribute, supply or deliver water only to its members and such memberships shall be appurtenant to the lands described in the membership certificates. When such certificates are issued and a certified copy of these Articles of Incorporation are recorded in the Office of the County Recorder in the County where such lands situate, the membership shall become appurtenant to such lands and shall only be transferred therewith, except upon sale or forfeiture for delinquent assessments thereon as provided by law.

## V

The Board of Directors of this corporation 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 production system (the "Repair and Replacement Fund"). The rate charged, moreover, must bear a reasonable relationship to the cost of furnishing water. Unimproved lots included within the area to be served must bear proportionate share of the cost of the water supply, distribution and fire protection system, as well as a proportionate share of the costs of maintaining the Repair and Replacement Fund.

## VI

The corporation shall not issue fractional memberships.

## VII

Except as expressly permitted by law, this corporation shall not make any distributions except upon dissolution of the corporation.

## VIII

The number of directors of this corporation shall be five (5).

## IX

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.

3. The foregoing amendment and restated Articles of Incorporation have been duly approved by the Board of Directors.

4. The foregoing amendment and restatement of articles of incorporation has been duly approved by the required vote or written consent of shareholders in accordance with Sections 902 and 911 of the Corporation Code. The total number of outstanding shares of the corporation is 87 shares. The number of shares voting in favor of or consenting to the amendment equaled or exceeded the vote required. The percentage vote required was one hundred percent (100 o/o).

Dana Thompson  
President

Robert E. Butte  
Secretary

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 knowledge.

This declaration was executed on May 19, 1986 at Santa Cruz County (Los Gatos P.O. Box), California.

Dana Thompson  
President

Robert E. Butte  
Secretary