

BY-LAWS FOR THE REGULATION OF
THE PRATTVILLE MUTUAL WATER COMPANY
A California Corporation

ARTICLE I
MEMBERSHIP AND DUES

A building site for the purpose of these by-laws shall be taken to be one lot as delineated on the Assessor's map of that certain real property described as "Camp Prattville Subdivision No.2", which map appears in the office of the Assessor in the County of Plumas, State of California, on July 1, 1964, as the Assessor-ship of the Camp Prattville Subdivision #2, Book 001, Page 28.

The members of this Corporation shall be all persons who are the owners of record of any such building site in the property above described, or who, while holding a contract for the purchase of any such building site from the record owner, shall reside upon the building site described in said contract. Contract holders shall establish their right to membership to the satisfaction of the Secretary of this Corporation.

A water service connection is defined as a single water hook-up running from the primary water main to a building site within the subdivision.

Membership of a member in the corporation shall lapse and cease when such a member shall cease to be the owner of record of a building site; or, if the member is not the owner of record of a building site, then upon such member ceasing to be the holder of a contract for the purchase of any such building site from the record owner, or upon his ceasing to reside upon the building site described in such contract. A member who is the owner of record of more than one building site may transfer membership with each building site transferred of record and retain membership for each building site or sites not so transferred. When a building site is owned of record in joint tenancy, tenancy in common, or community property, the membership as to such building site shall be joint and the rights of such membership (including the voting power arising there-from) shall be exercised only by the joint action of all owners of such building site.

There shall be but one vote for each building site and if one person or persons own or are buying more than one building site, in that event said person or persons shall be limited to one vote for all building sites owned or being purchased by them. Ownership by one person or persons of several building sites shall not confer upon said person or persons more than one vote. In the event that the owner of record has executed a contract to purchase said building site with another, the person holding the contract to purchase shall be entitled to exercise his vote and only if said holder of the contract to purchase does not exercise his vote shall the owner of record be entitled to vote as a member of this corporation.

An initiation fee of TEN DOLLARS (\$10.00) shall be charged each new member for each building site upon execution of a contract of sale or recording of a Grant Deed, whichever occurs first. The Board of Directors has the right to determine the amount, classification of service, collection of charges and dues or assessments against the members, or owners of lots and lands served by a water service from the facilities of this corporation; members may be subject to these charges and assessments whether or not said member uses the facilities of this corporation, so long as water service is made available to the member at all times. However, no member shall be assessed for more than one water service connection. If no such water service connections are actually used by him

ARTICLE II
PROPERTY RIGHTS AND INTEREST

Each member of the corporation shall have a propriety interest in the Corporation as is represented by the ratio of the number of water service connections used by each member to the total number of water service connections in the property above described; provided however, that such interest are and shall be appurtenant to the respective building sites served by water service connections within said tract of which said member is the owner of record. Each building site to which no water service has been connected and one which general assessments have been paid shall be considered as representing one service connection for the purpose of computation. Water shall be sold, distributed, supplied or delivered only to corporate members as otherwise required by law. Membership certificates shall be appurtenant to any lot or parcel of land, here-in-after described, when such lot or parcel is described in the membership certificate issued there-for, and as prescribed by Section 330.24 of the Civil Code of California. The land to which said water is to be sold, distributed, supplied or delivered, is described as follows: Being situated in the County of Plumas, State of California, to wit: "Camp Prattville Subdivision No.2", as said subdivision is recorded in Book 1 of Maps at p.72, Official Records of Plumas County

ARTICLE III
CORPORATE POWERS

The corporate powers of this corporation shall be vested in a Board of five directors, who will be members of this corporation, and at any regular or special meeting of said Board of Directors, three of said Directors shall constitute a quorum for the transaction of business.

ARTICLE IV
PROPERTY RIGHTS AND INTEREST

The Directors shall be elected by ballot, at the annual meeting of the members, to serve for one year and until their successors are elected. Their term of office shall begin immediately after election. Nominations for members of the Board of directors shall be made by a Committee of three members in good standing, to be appointed by the President of the Corporation, at least thirty (30) days before the date of the annual election.

ARTICLE V
VACANCIES

Vacancies in the Board of Directors shall be filled by the remaining directors when assembled as a Board, and such appointees shall hold office until the first annual meeting of the members thereafter.

ARTICLE VI
POWERS OF DIRECTORS

The Directors shall have power to:

1. Call special meetings of the members whenever they deem it necessary. And they shall call a meeting at any time upon the written request of members who are the owners of record of at least one-third of all said building sites.
2. Appoint and remove at pleasure all officers, agents, and employees of the corporation, prescribe their duties, fix their compensation, and require from them security for faithful service.
3. Conduct, manage and control the affairs and business of the corporation, and to make rules and regulation not inconsistent with the laws of the State of California or the By-Laws of the corporation, for the guidance of the officers and management of the affairs of the corporation.
4. Determine, levy and assess annually the maintenance charge or assessment referred to in Article I hereof, and to fix the rates per square foot of such maintenance charge or assessment within the limitations fixed by the Declaration for the various portions of said property
5. Exercise for the corporation all powers and authority vested in or delegated to this corporation by said Declaration.

ARTICLE VII DUTIES OF DIRECTORS

It shall be the duty of the Directors to:

1. Cause to be kept a complete record of all their minutes and acts, and of the proceedings of the members, and present a full statement at the regular annual meeting of the members, showing in detail the assets and liabilities of the corporation, and generally the condition of it's affairs. A similar statement shall be presented to any other meeting of the members when required by members who are the owners of record of at least one-half of all building sites.
2. Supervise all officers, agents and employees and see that their duties are properly performed; and
3. Cause certificates of membership to be issued to the members of the corporation. All such certificates shall be signed by the President of the corporation or Vice-President and Secretary and shall have the seal of the corporation attached.

ARTICLE VIII OFFICERS

The officers shall be a President, Vice-President, Secretary and Treasurer, which officers shall be elected by and hold office at the pleasure of the Board of Directors. The compensation and tenure of office of all the officers of the corporation (other than Directors) shall be fixed and determined by the Board of Directors. All officers of the corporation (other than Directors) shall be appointed and elected by the Board of directors by motion duly seconded and carried, or by resolution of the Board of directors. The officers of the Secretary and Treasurer may be held by the same person.

ARTICLE IX PRESIDENT

The Board of Directors shall, at their first regular meeting, elect one of their members to act as President, and shall also at said meeting elect one of their members to act as Vice-President and, if at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties; and, if the Vice-President from any cause, shall be unable to act, they shall appoint some other member of the Board to act, in whom shall be vested for the time being all the duties and function of the office of President. The President, or the Vice-President, or in the absence or inability to act of both the President and Vice-President, the Director appointed as above provided:

1. Shall preside over all meetings of the members and directors, and shall have the casting vote.
2. Shall sign as President all certificates of membership and all contracts and other instruments of writing which have been first approved by the Board of Directors.
3. He shall call the Directors together whenever he deems it necessary, and shall have, subject to the advice of the Directors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required by him by the By-Laws of the corporation.

ARTICLE X VICE-PRESIDENT

All duties enjoined by law or by this Code of By-Laws on the President shall, in his absence or inability or refusal to act, be performed by the Vice-President.

ARTICLE XI SECRETARY

The Board of Directors shall elect a Secretary.

1. It shall be the duty of the Secretary to keep a record of the proceedings of the Board of directors and of the members.
2. He shall keep the corporate seal of the corporation, and the book of blank certificates of membership; fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book on issuance; and he shall affix said corporate seal to all papers requiring a seal.
3. The Secretary shall serve all notices required either by law or the By-Laws of the corporation, and in case of the absence, inability, refusal or neglect to do so, then such notices shall be served by any person thereunto directed by the President or Vice-President of the corporation
4. He shall keep proper books showing the date of issuance of each certificate of membership and the name of the person to whom issued, and showing the date of and parties to each transfer of membership.

ARTICLE XII ASSISTANT SECRETARY

The Board of Directors may appoint an Assistant Secretary who shall, in case of the absence, inability or refusal to act of the Secretary, perform the duties enjoined by law and these By-Laws upon the latter.

The Assistant Secretary shall also perform such other duties as are prescribed for him by the Board of Directors,

ARTICLE XIII TREASURER

The Treasurer shall received and deposit in such bank or banks, as the Board of Directors may direct, all the funds of the corporation, subject to the check of such officers as the Board of Directors shall designate.

ARTICLE XIV BOOKS AND PAPERS

The books and such papers as may be placed on file by vote of the members or Directors shall, at all times during business hours, be subject to the inspection of any member.

ARTICLE XV CERTIFICATE OF MEMBERSHIP

Certificates of membership shall be of such form and design as the Board of Directors may direct, and each certificate shall be signed by the President or Vice-President and by the Secretary or Treasurer, and set forth on it's face it's number, date of issuance, the name of the member to whom it is issued, and the legal description of the land to which the certificate is appurtenant. Each certificate issued to a member who is the owner of record of a building site shall set forth that such member is entitled, subject to these by-laws, to one vote upon all matters that shall come before the member, regardless of the number of building sites or water service connection of which such member is the owner or user, or the purchaser under a contract of sale, and shall contain a statement that the property rights and interest in the corporation, evidenced by said certificate, shall be appurtenant to such building sites and that a membership represented by the certificate, shall be transferred only with a building site and each certificate issued to a member qualified by holding a contract for the purchase of a building site from the holder of record and residing on such building site shall so state, and shall further state that such member is entitled, subject to the By-Laws, to one vote upon all matters that shall come before the member, and that the membership of such members shall lapse and cease when such members cease to be the holder of such contract or cease to reside thereon.

The certificate book shall contain a stub for each certificate on which shall be entered the number and date of the corresponding certificate, name of member and the legal description of the land to which the certificate is appurtenant.

ARTICLE XVI TRANSFER OF MEMBERSHIP

Membership in the corporation shall be transferred or divided by the transfer of record of the ownership of all or part of the member's building sites. Upon satisfactory evidence of such transfer, the membership of the transferor shall be marked cancelled on the books of the corporation as to the building site or sites so transferred, without requiring a surrender or cancellation of the transferor's certificate of membership, and a new certificate of membership may thereupon be issued to such transferee.

If a certificate shall be lost or destroyed, the Board of Directors may order a new certificate issued upon such guaranty by the parties claiming the same as the Directors may deem satisfactory

ARTICLE XVII MEETINGS

The annual meeting of the members will be held in the County of Plumas, State of California, on the first weekend of each July, beginning with the year 1960, and shall be called by a notice in writing mailed to each member at said member's last known place of residence or business. Such noticed shall be deposited in

the United States Post Office at Almanor, Plumas County, California, at least fourteen (14) day preceding the date of meeting, and postage thereon must be prepaid.

No meeting of members shall be competent to transact business unless members owning of record at least 25% of the said building sites be represented, but a less number may adjourn from day to day or until such time as may be deemed proper to carry on and conduct the business of the corporation.

Special meetings of the members shall be called whenever 10% of the membership present a written request to the President for such special meeting; and the President may call a special meeting of the membership whenever matter of importance requiring consideration by a membership meeting is desirable.

Notice of any membership meeting shall specify in addition to the place, day and hour of the meeting, the general nature of the business to be transacted, and the manner of giving notices for special meetings shall be the same as for the Annual Meeting and qualifications for voting shall be the same as for Annual Meetings.

At such annual meeting of the members, Directors for the ensuing year shall be elected by ballot, to serve for one year and until their successors are elected. If, however, for want of a quorum or other cause, a members' meeting shall not be held on the day above named, or should the members fail to complete their elections or such other business as may be presented for their consideration, those present may adjourn from day to day until the same shall be accomplished.

Regular meetings of the Directors shall be held on the first Monday of each month at the hour of 8:00 pm, provided that the Board of Directors may change by resolution, the day of holding the regular meetings. No notice of the regular meetings of the Board of Directors need be given.

The President, or any two of the Directors, may call special meetings of the directors at any time, and notice shall be given of such called meeting by depositing in the United States Post Office at Camp Prattville, California, a written or printed notice thereof, with the postage thereon prepaid, addressed to each Director at the last address left with Secretary, at least three days before the time of meeting, or by serving personally such notice on each Director one day before such meeting. Such service of notice shall be entered on the minutes of the corporation, and the said minutes, upon being read and approved at a subsequent meeting of the Board, shall be conclusive upon the question of service.

Notice specified in this Article for Members need by given only to members appearing as such on the books of the corporation.

ARTICLE XVIII VOTING

At all corporate meetings each member, either, in person or by proxy, shall be entitled to only one vote regardless of the number of building sites of which such member is the owner of record or the purchaser under a contract of sale. All proxies shall be in writing and filed with the Secretary.

ARTICLE XIX AMENDMENTS

The By-Laws may be repealed or amended or new By-Lays may be adopted at any meeting of the members by a vote represent two-thirds of the said building sites, or by the Board of Directors when thereunto authorized at any meeting of the members, by the vote of members who are the owners of record of at least two-

thirds of said building sites, or by the written assent of the owners of record of at least two-thirds of said building sites.

ARTICLE XX
ANY RIGHTS OF THE ASSOCIATION

Any and all rights vested in the Association by these By-Laws, which rights are a lien upon the real property owned by the Association or it's members, to be subordinate and junior to any promissory note secured by a first deed of trust, whether said deed of trust is secured for a construction loan, conventional permanent loan, Federal Housing Administration insured loan or Veterans Administration insured loan

ARTICLE XXI
NON-PAYMENT

- A. The Billing Year shall be the 12-month period beginning July 1st of the current calendar year and ending June 30th of the next calendar year.
- B. A member's water bill is due on July 1st for each Billing Year and must be paid in full by September 1st of each Billing Year. A water bill that is not paid in full by September 1st of the Billing Year is overdue.
- C. If a member's bill is overdue on September 1st of the Billing Year, a \$100 service fee shall be added to the amount overdue.
- D. If a member is two years overdue, or maintains an overdue balance from year-to-year, the directors shall shut off service and/or disconnect the property from the water main. To restore water service, the following shall be paid: all past due bills and fees (including charges for Billing Years during the time that service is disconnected), costs incurred to disconnect and reconnect the service, and any additional administrative costs. At the time the service is disconnected, a lien against the subject property will be filed with the County of Plumas for all amounts listed in this section.
- E. In the event that a member believes that their bill is in error or believes that there are special circumstances why their water service should not be terminated for nonpayment, they may ask for an administrative hearing to resolve the issue. The member must request the hearing within 30 days of the date the bill is due or within 10 days of receipt of the notice that their water service is being terminated. The Board promptly will set a hearing date at a reasonable time for all involved. The location of the meeting shall be at the Almanor Fire House on Scott Drive, Prattville, CA. The President, Vice President, and at least one additional board member must be present at the hearing to rule on the matter at hand.
- F. This section shall take effect immediately and shall apply to past, current, and future water bills.