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March 17, 2016

Dear Members of Diamond "A" Mutual Water Company:

At the request of your Board of Directors and Officers, I have prepared a full restatement (amendment) of your Bylaws. The purposes of this amendment are: 1) to conform your Bylaws to recent changes in California law concerning mutual water companies; and 2) to conform your bylaws to earlier changes in California law and good practice. In making this proposal, I have chosen complete restatement, as it is far cheaper in attorney fees than the less effective and very time consuming point by point amendment process.

However, the general scope and text of the document remains very similar to your existing bylaws. This is because I have utilized a widely used form of non-profit bylaws, that was also the basis of your earlier, existing, bylaws. Essentially, this use of a similar form allows us to update good practices and over-all conformance to minor changes in the California Non-profit Mutual Benefit Corporations law, without having to go point by point. In addition, we have maintained certain areas of the existing Bylaws that are peculiar to your structure (e.g. water rights; cf. Paragraph 2.3 of the proposal).

The principal areas of major change are in Paragraph 4.29. This section incorporates the new provisions required by Corporations Code §14305, the Mutual Water Company Open Meeting Act. Whether or not you adopt this proposal, you must comply with that Act. This proposal allows these provisions to be readily assessable to all members as part of the Bylaws, and makes sure that there is no conflict between them and the other provisions of the Bylaws.

I commend this proposal to you for your approval. Thank you for allowing me to be of service to you in this matter.

Sincerely,

  
ANTHONY L. CERMAK