

STATE OF CALIFORNIA



DEPARTMENT OF STATE

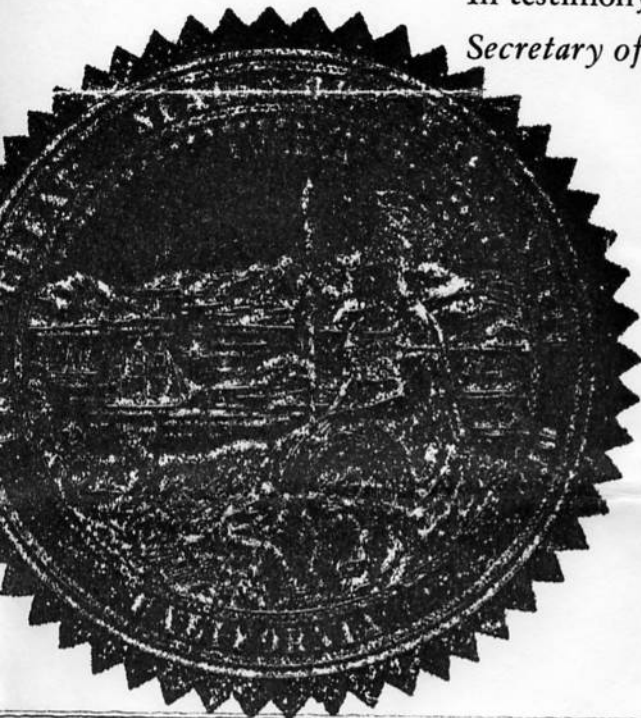
To all whom these presents shall come, Greetings:

I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in my office, of which it purports to be a copy, and that the same is full, true and correct.

In testimony whereof, I, FRANK M. JORDAN, Secretary of State, have hereunto caused the Great Seal of the State of California to be affixed and my name subscribed, at the City of Sacramento, in the State of California,
this _____

AUG 20 1965



Frank M. Jordan
Secretary of State

By *[Signature]*
Assistant Secretary of State

ARTICLES OF INCORPORATION

OF

GRAN MUTUAL WATER COMPANY

ENDORSED
FILED
In the office of the Secretary of State
of the State of California
AUG 19 1965
FRANK M. JORDAN, Secretary of State
BY JAMES E. HARRIS, Deputy

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation.

ARTICLE I

Name

The name of the Corporation shall be "GRAN MUTUAL WATER COMPANY."

ARTICLE II

Purposes

1. The specific business in which the corporation is primarily to engage is solely the business of developing, distributing, supplying or delivery of water for irrigation or domestic use or both, to its shareholders at actual cost plus necessary expenses.

2. General purposes and powers shall include:

a. To own road rights of way for the benefit of and appurtenant to the real property hereinafter described as a subdivision.

b. To develop water for domestic use through wells or development of springs for the use of property owners of the following described property located in the County of Butte, State of California, described as:

PARCEL I: A portion of Section 2 and 3, Township 21 North Range 2 East, M.D.B.&M., and more particularly described as follows: Commencing at the Northwest corner of said Section 3; thence South 00° 24' 50" West, 2923.35 feet to a point on the North line of the Chico-Paradise Skyway; thence North 83° 14' 50" East, 1558.98 feet along the North line of said Skyway to the true point of beginning for the parcel herein described; thence from said true point of beginning, North 06° 45' 10" West 220.00 feet; thence North 22° 35' 12" East, 179.39 feet; thence North 44° 58' 52" West 160.00 feet; thence North 45° 01' 08" West 310.00 feet; thence North 48° 41' 31" East, 163.73 feet; thence North 16° 30' 51" West, 70.00 feet to a point on the top of the

1 rock bluffs forming the South rim of Butte Creek Canyon; thence
2 meandering along the rim of said Butte Creek Canyon, Easterly,
3 the following courses and distances: North 54° 09' 54" East,
4 319.60 feet; North 45° 34' 40" East, 841.50 feet; South 42° 33'
5 48" East, 66.52 feet; South 75° 36' 38" East, 354.11 feet; South
6 20° 24' 36" East, 91.76 feet; South 53° 44' 46" East, 241.81
7 feet; South 67° 22' 17" East, 514.62 feet; North 72° 43' 49" East,
8 730.95 feet; North 62° 35' 16" East, 816.70 feet and South 75°
9 55' East, 433.11 feet to a point on the Westerly right of way line
10 of the Pacific Gas and Electric Co. Round Mountain-Table Mountain
500 K.V. tower line; thence South 23° 11' 10" East, 624.19 feet
along the Westerly line of said Pacific Gas and Electric Co.
right of way to a point on the Northerly line of the Chico-Paradise
Skyway; thence South 61° 24' 00" West, 1048.49 feet along the
Northerly line of said Skyway to the beginning of a 1960.00
foot radius curve to the right; thence along the arc of said
curve through a central angle of 21° 50' an arc length of 746.88
feet; thence South 83° 14' 50" West, 2463.14 feet along the
Northerly line of said Skyway to the True Point of Beginning.

11 PARCEL II: A portion of Section 3, Township 21 North, Range 2
12 East, M.D.B.&M., more particularly described as follows:
13 Commencing at the Northwest corner of said Section 3; thence South
14 00° 24' 50" West, 2,923.35 feet along the West line of said
15 Section 3, to the Northerly right of way line of the Skyway;
16 thence North 83° 14' 50" East, 881.80 feet along said Northerly
17 line of the Skyway to the true point of beginning for the parcel
18 herein described; thence from said true point of beginning, con-
19 tinuing North 83° 14' 50" East, 672.18 feet along said Skyway
20 line; thence leaving said Skyway line, North 6° 45' 10" West,
21 220.00 feet; thence North 22° 35' 12" East, 179.39 feet; thence
22 North 44° 58' 52" East, 160.00 feet; thence North 45° 01' 08"
23 West, 310.00 feet; thence North 48° 41' 31" East, 163.73 feet;
24 thence North 16° 30' 51" West, 70.00 feet to the top of the rock
25 bluffs forming the South rim of Butte Creek Canyon and being a
26 point on the Southerly boundary line of Parcel 3 as described
27 in Deed to Skyway Land Company, a limited partnership, recorded
28 March 16, 1964, in Book 1302 of Butte County Official Records,
29 at page 19; thence meandering along the top of said bluffs
30 forming the South rim of Butte Creek Canyon, and along the
31 Southerly boundary line of said Skyway Land Company Parcel,
32 South 58° 31' 31" West, 668.21 feet and South 78° 48' 55" West,
114.36 feet, to the Northeasterly corner of Parcel 2 as described
in Deed to Skyway Land Company as described above; thence leaving
said bluff line, South 06° 45' 10" East and along the Easterly
boundary line of said Skyway Land Company Parcel 2, 228.12 feet
to the Southeast corner of said Skyway Parcel; thence South
66° 21' 20" West, along the Southerly boundary line of said Sky-
way Parcel 2, 100.00 feet to a point on the Easterly boundary of
Parcel 1, as described in Deed to said Skyway Land Company, a
Limited Partnership as described above; thence South 06° 45' 10"
East, and along the Easterly boundary of said Skyway Land Company
Parcel One, 335.23 feet to the true point of beginning and con-
taining 11.32 acres, more or less.

33 c. To accomplish the acquisition of title to such water
34 by issuing capital stock in the manner and form hereinafter
35 provided.

36 d. To operate, improve and extend the said system and to
37 purchase, appropriate, store, develop or acquire water or water

1 rights in any manner.

2 e. To furnish and deliver water to the stockholders at
3 cost.

4 f. To distribute among and supply to its shareholders
5 and not to the public or any portion thereof, the water acquired
6 by it for domestic use upon lands owned by its stockholders or
7 possessed by them under executory contracts of sale, pursuant to
8 the provisions of these articles, within the exterior boundaries
9 of the real property hereinbefore described, in proportion to
10 their respective interests, such distribution and supplying to
11 be in accordance with these articles, the by-laws of the corpor-
12 ation or such water rules and regulations as may be adopted by
13 the Board of Directors.

14 In the event that any shares of stock become delinquent in
15 payment of any assessment levied by the corporation, the same
16 may be sold for such delinquency pursuant to law.

17 g. To fix upon and collect from its stockholders charges
18 and assessments for operation, maintenance, administration, con-
19 struction and other requirements of the corporation, the same to
20 be based upon the shares of stock held by the stockholders, or
21 to be in proportion to the amount of water used by them, or to be
22 determined by both of said methods, in such manner as may be
23 provided in said by-laws, or by assessments levied in accordance
24 with the laws of the State of California.

25 h. To acquire and own and operate any other property, both
26 real and personal, which may be required or convenient for
27 carrying out the purposes mentioned herein, and to do every act
28 and thing necessary or requisite to carry out said purposes and
29 objects.

30 i. To borrow money. To provide in its by-laws for the
31 method of collection of all general assessments and special
32 charges and for fines and penalties for the violation of rules

1 and regulations, and otherwise, in accordance to law.

2 j. To construct, maintain and operate such drainage ditches
3 as the Board of Directors shall consider necessary for the purposes
4 of removing surplus waters, due to the operation of the water system,
5 and to levy assessments or to contract with its stockholders or
6 with owners of property who are not stockholders of the corporation,
7 for the payment of the cost thereof.

8 k. The corporation may levy assessments upon its shares
9 and in the event any shares become delinquent in the payment
10 of assessments, the rights to receive water upon the lands to which
11 they are appurtenant, may be denied, and also they may be sold
12 and transferred without said lands as if not appurtenant thereto
13 and the purchaser shall acquire the right to receive water as provided
14 in the articles or by-laws of the corporation, or they may be for-
15 feited to the Corporation.

16 ARTICLE III

17 Principal Office

18 The County in this State where the principal office for
19 the transaction of the business of the Corporation is to be
20 located is the County of Butte.

21 ARTICLE IV

22 Type and Number of Shares

23 The corporation is authorized to issue eighty-five (85)
24 shares of stock appurtenant to Parcel I hereinbefore described,
25 and twenty (20) shares appurtenant to Parcel II hereinbefore
26 described. A person who qualifies to purchase shares must own
27 property herein above described. There shall be neither an
28 aggregate par value of such shares nor a par value of any shares
29 and such shares shall be without par value.

30 That the shares of stock of the corporation shall not be
31 classified other than that the water to be sold, distributed,
32 supplied or delivered by the corporation shall be only to owners

1 of its shares and that such shares shall be appurtenant to certain
2 lands when the same are described in the certificate issued
3 therefor, and when so described each share shall be appurtenant
4 to one lot of the property so described on such certificate, and
5 such shares cannot be sold or transferred except upon a sale or
6 transfer of the real property described thereon except after sale or
7 forfeiture of delinquent assessments thereon as provided in sub-
8 section 2k of the Article II hereof; provided however, that the
9 holder of a mortgage or deed of trust upon such land may have
10 the appurtenant stock transferred to him as additional security
11 and may surrender the owners' certificate and have a certificate
12 issued to him as pledgee, but the pledger of such stock shall
13 have the right to vote the same; provided further that upon the
14 execution and recording of a contract of sale giving the vendee
15 the right of possession, the shares of stock appurtenant to the
16 land may be transferred to and a certificate issued in the name
17 of the vendee, who shall be deemed the owner of the stock as long
18 as such contract shall remain in force. Shares of stock which by
19 reason of delinquency in the payment of assessments, or otherwise,
20 shall be subject to resale, may be resold to the original owner and
21 become appurtenant to his land. The voting rights of each share
22 shall be the same.

23 This corporation shall not distribute any gains, profits
24 or dividends to its shareholders except on dissolution.

25 ARTICLE V

26 Number of Directors

27 The number of its directors shall be three (3) and the
28 names and addresses of the persons who are appointed to act as
29 the first directors are as follows:

30 Gilbert Alm
31 P.O. Box 512
Chico, California

Thomas W. Dufour
1794 Estates Way
Chico, California

32 Richard A. Horton
646 Sheridan Avenue
Chico, California

ARTICLE VI

Shares of stock in this corporation shall be issued only in consideration of the transfer to the corporation of the water rights owned by the owners of the land described in Article II, Sub-section 2b hereinabove particularly described.

ARTICLE VII

The Corporation shall exist perpetually.

Dated this 16 day of August, 1965.

/s/ Gilbert Alm
GILBERT ALM

/s/ Thomas W. DuFour
THOMAS W. DU FOUR

/s/ Richard A. Horton
RICHARD A. HORTON

STATE OF CALIFORNIA)
COUNTY OF BUTTE) SS

On August 16 1965, before me, JEUNE ADDY, a Notary Public in and forthe County of Butte, State of California, duly commissioned andsworn, personally appeared GILBERT ALM, THOMAS W. DU FOUR and RICHARD A. HORTON, known to me to be the persons whose names are subscribed to the foregoing instrument and they acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year last above written.

/s/ Jeune Addy
JEUNE ADDY, Notary Public in and for
County of Butte, State of California

My Commission Expires: March 14, 1968



4697

RECORDED AT THE REQUEST OF
WHITTEN & FORTINO

AUG 24 1965

at 47 min. past 10 o'clock

A. M. Vol. 1387, page 258

OFFICIAL RECORDS OF
BUTTE COUNTY, CALIFORNIA
ETHEL M. ESTES, County Recorder

By Louise M. Estes
DEPUTY RECORDER

Fee \$ 6.80