

**AMENDED ARTICLES OF INCORPORATION
OF
PALOMINO LAKES MUTUAL WATER COMPANY
(Amended March 28, 2007)**

ONE:

The name of this corporation is PALOMINO LAKES MUTUAL WATER COMPANY.

TWO:

This corporation is a non-profit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law. The specific and primary business for which this corporation is formed is to acquire, operate and maintain water service and fire protection systems for the mutual benefit of its members.

THREE:

The corporation shall admit persons to membership subject to the terms and conditions set forth in the bylaws. The manner in which directors shall be chosen and removed from office, their qualifications, powers, duties, compensation, and tenure of office, the manner of filling vacancies on the board, and the manner of calling and holding meetings of directors, shall be as stated in the bylaws.

FOUR:

The memberships issued by the corporation shall be assessable for purposes of paying the cost of water, plus necessary costs of construction, installation, maintenance, and operation of water wells, distribution systems and fire suppression systems owned by the corporation, and for the administration of other requirements of the corporation, the amount of the assessment, the times, intervals, notice and method of collection to be prescribed by the directors.

IN WITNESS WHEREOF, the undersigned, constituting the directors of this corporation, have executed these Amended Articles of Incorporation this 28th day of March, 2007.

_____/s/ Howard Blake
Howard Blake

_____/s/ Lee Tolbert
Lee Tolbert

_____/s/ Richard Corriea
Richard Corriea