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ENDORSED
FILED

In the office of the Secretary of State
of the State of California

NOV 10 1976

MARCH FONG EU, Secretary of State

Jane E. Bacon
Deputy

ARTICLES OF INCORPORATION

OF

OAK TRAIL ESTATES MUTUAL WATER COMPANY

KNOW ALL MEN BY THESE PRESENTS:

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

ARTICLE I

The name of the corporation is:

OAK TRAIL ESTATES MUTUAL WATER COMPANY

ARTICLE II

The purposes for which this corporation is formed are the following:

(a) The specific and primary purposes for which this corporation is formed are to develop, distribute, supply, or deliver water for domestic and irrigation uses, or any one of such uses, to its shareholders at actual cost plus necessary expenses and to no one except its shareholders, or to the State or any agency or department thereof, or to any school district, or to any other mutual water company at actual cost plus necessary expenses.

(b) The general purposes for which this corporation is formed are to acquire, own, lease, or develop water, water rights, water bearing lands, canals, ditches, and reservoirs; to construct, own, manage, and operate wells, pumping plants, rights-of-way, ditches, flumes, and pipelines for the production and distribution of water for domestic, municipal, agricultural, and other uses and to acquire any property rights that may be advantageous for said purposes.

(c) This corporation shall have and exercise all powers, privileges, and rights necessary or convenient

for carrying out the purposes for which this corporation is formed and the directors hereby claim for this corporation all benefits, privileges, rights, and powers created, given, extended, or conferred by the provisions of all applicable laws of the State of California applicable to corporations and any additions or amendments thereto.

(d) This corporation may act as a joint venturer or in any other legal capacity in any transaction.

(e) The above purpose clauses shall not be limited by reference to or inference from one another, but each such purpose clause shall be construed as a separate statement conferring independent purposes and powers upon the corporation so far as they are in furtherance of Article II(a) hereinabove.

ARTICLE III

The corporation shall have its principal office for the transaction of business in the County of Santa Barbara, State of California.

ARTICLE IV

This corporation is authorized to issue only one class of shares of stock; the total number of such shares is 7500; and all such shares of stock are to be without par value.

Shareholders shall be limited to owners of real property or lots, as defined in the bylaws, within the boundaries of all that property in the County of Santa Barbara, State of California, described as follows:

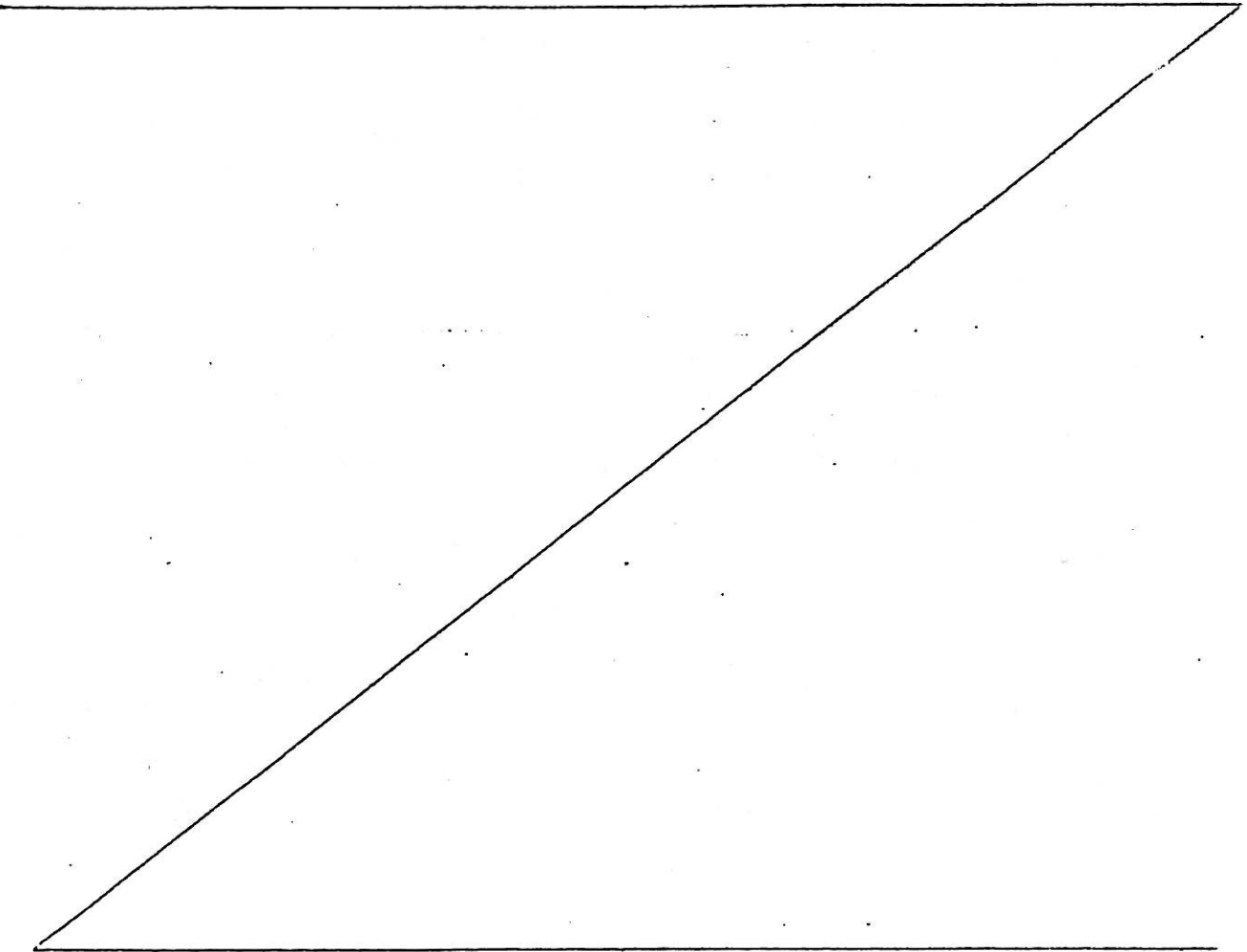
Parcel 1: Lots numbered 1 through 63 inclusive, Tract No. 11,737, as shown on map recorded in Book 92, Page 36, of maps in the office of the County Recorder of Said County.

Parcel 2: Parcel "A", Parcel Map No. 11267, as shown on map recorded in Book 7, Page 55 of Parcel Maps, in the office of the County Recorder of Said County.

Parcel 3: Lots numbered 1 through 3 inclusive, Tract No. 11,572, as shown on map recorded in Book 90, Page 40, of maps, in the office of the County Recorder of Said County.

Parcel 4: Parcels "A", "B", and "D", Parcel Map No. 11,465, as shown on map recorded in Book 9, Page 42 of Parcel Maps, in the office of the County Recorder of Said County.

Shares shall be appurtenant to said real property and shall not be transferable except with the conveyance of the real property for which said shares are issued; and such conveyance shall effect the transfer of the share appurtenant to that particular real property to its purchaser. A purchaser of any portion of said real property under contract shall also be deemed to be an owner for the purposes of these Articles.



ARTICLE V

The directors and members shall not be individually liable for the debts of this corporation.

ARTICLE VI

The number of directors of this corporation shall be three (3) * and the directors shall hold office until the next annual meeting of shareholders, or the first special meeting of shareholders held for that purpose, and until their respective successors are elected.

The names and addresses of the persons who are appointed to act as the first directors are:

Ben J. Newitt	3748 Foothill Road Santa Barbara, CA 93105
James M. Cunningham	3742 Foothill Road Santa Barbara, CA 93105
Fillmore Condit	3270 Glen Gary Road Santa Ynez, CA 93460

The number of persons hereinabove named shall constitute the number of directors until changed by amendment of these articles or by a bylaw duly adopted by the shareholders, and authority is hereby given and conferred for the shareholders to adopt a bylaw changing the number of directors.

The directors need not be shareholders of the corporation, nor residents of the State of California.

ARTICLE VII

The directors of the corporation are hereby granted the power and authority to levy and collect, from time to time, as in their discretion they may deem advisable, assessments upon all of the shareholders of the corporation. Such assessments shall be made in the manner provided in the bylaws.

ARTICLE VIII

The corporation reserves the right to amend, alter, change, or repeal any provision contained in these Articles

* Amended April 1, 1978 "The number of directors shall be five."

of Incorporation, in the manner now or hereafter prescribed by the laws of the State of California, and all rights conferred upon shareholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, the above and foregoing Articles of Incorporation were, on the 24th day of September 1976, executed by the directors above named.


BEN J. NEWITT


JAMES M. CUNNINGHAM


FILLMORE CONDIT

~~STATE OF CALIFORNIA~~)

) SS.

COUNTY OF SANTA BARBARA)

On this day of , 1976, before me, a Notary Public in and for the county and state aforesaid, personally appeared Ben J. Newitt, James M. Cunningham, and Fillmore Condit, known to me to be the persons whose names are subscribed to, and who executed the within instrument, and acknowledged to me that they executed the same, and that they are the directors named therein.

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


Notary Public

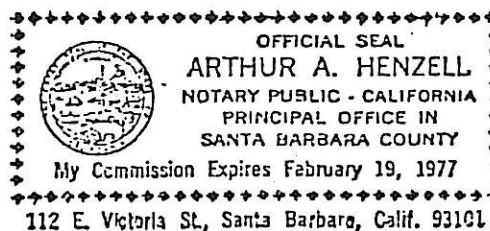
~~(NOTARIAL SEAL)~~

STATE OF CALIFORNIA)
) SS.
COUNTY OF SANTA BARBARA)

On September 24, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared Ben J. Newitt, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

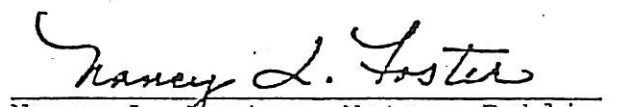

Arthur A. Henzell, Notary Public
in and for said County and State

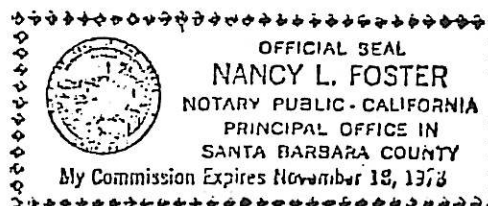


STATE OF CALIFORNIA)
) SS.
COUNTY OF SANTA BARBARA)

On September 27, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared Fillmore Condit, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.


Nancy L. Foster, Notary Public
in and for said County and State



STATE OF CALIFORNIA)
) SS.
COUNTY OF SANTA BARBARA)

On October 5, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared James M. Cunningham, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

Nancy L. Foster
Nancy L. Foster, Notary Public
in and for said County and State

