

Acknowledgement of Bylaws

ARTICLE XII

Section 5. Termination of Water Supply. No person shall be entitled to use water delivered by or through the Corporation upon any lands on which a lien for any water charge or assessment fixed by the Board of Directors, then due and payable, remains unsatisfied. The Board of Directors may prevent use of water upon such lands until all such assessments and water charges are fully paid together with any penalties or interest and shareholders agree, by accepting shares of stock in this Corporation, not to use water delivered by or through the Corporation except after payment of water charges and assessments then due.

Section 6. Recovery of Costs. In any suit brought to enforce the lien for any charge fixed by the Board of Directors, the Corporation shall be entitled to recover all costs, fees, and expenses of any kind or nature to enforce this lien and recover all amounts due and owing including, without limitation, all attorneys' fees and costs, and the Corporation shall be entitled to recover the same as a part of the decree in such suit.

Section 10. Lien; Remedies. In addition to any other rights or remedies provided to the Corporation to enforce a lien, if any such assessments or water charges become delinquent, such lien may be enforced by any one or more of the following: (a) in the manner provided by law for the foreclosure of a mortgage or deed of trust upon real property; (b) forfeiture of shares pursuant to California Corporations Code Section 14303; (c) personally by judicial action" against the holder of shares as to which the delinquencies exist; and (d) as otherwise may be permitted at law or in equity. Corporation shall be entitled to receive payment for all costs, fees and expenses that are incurred to enforce the lien, as set forth in Section 6 of this Article XII.

ARTICLE XIII

APPLICATION FOR SERVICE; RELEASE OF CLAIMS

Section 1. Application for Water. Each shareholder shall on an annual basis submit to the Corporation a written application for water supply (the "Application") which designates the amount of water the shareholder expects to utilize during the upcoming year, the approximate schedule under which that water will be needed, and such other information as deemed necessary by the Board of Directors for the efficient operation of water delivery by the Corporation. The application shall also include a release of the Corporation by the shareholders of all claims related to the quality of water delivered to the shareholders and the timing of this delivery.

Section 2. Water Quality. The shareholders recognize that the Corporation must recycle water within the boundaries of the Corporation, and such recycling of water may affect the quality of water supplied to the lands of the shareholders for agricultural use. The shareholders acknowledge that the use of water supplied by the Corporation for agricultural crops involves financial and physical risk. The shareholders further acknowledge that the water supplied by the Corporation may contain herbicides, pesticides, chemicals, and other constituents which may be harmful to agricultural crops on the shareholder's property and that the Corporation does not conduct any testing of water delivered to them.

Section 3. Assumption of Risk. THE SHAREHOLDERS ARE AWARE THAT THE WATER SUPPLIED BY THE CORPORATION FOR IRRIGATION MAY CONTAIN CONSTITUENTS THAT ARE HARMFUL TO CERTAIN CROPS. THE SHAREHOLDERS VOLUNTARILY REQUEST DELIVER OF SUCH IRRIGATION WATER WITH THE KNOWLEDGE OF THE DANGERS INVOLVED, AND HEREBY AGREE TO ACCEPT ANY AND ALL RISKS OF INJURY OR DAMAGE. THE CORPORATION MAKES NO GUARANTEE AS TO THE QUALITY OF THE WATER DELIVERED BY THE CORPORATION TO THE SHAREHOLDERS OR ITS FITNESS FOR A PARTICULAR USE.

Section 4. Waiver of Right to Bring an Action. The shareholders hereby agree on their own behalf and on behalf of their tenants, assignees, heirs, distributes, guardians, and legal representatives that they will not, directly or indirectly, make a claim against, bring a lawsuit, action, or other proceeding against, or attach the property of the Corporation, its directors, officers, agents, employees, consultants, contractors, representatives, or any of its affiliated organizations, for injury or damage of any nature resulting directly or indirectly from:

- 1) the quality or constituents of the water supplied by the Corporation, whether added to the water by the Corporation or by others; or
- 2) the quantity of water supplied or the interruption of water service of the Corporation; or
- 3) the negligence of the Corporation (including its officers, directors, employees, agents, representatives, consultants, contractors or affiliated entities [collectively, the "Released Persons"]), or their failure to act, in preventing water quality degradation or interruptions in the water quantities supplied; or
- 4) the failure of the Corporation (including the Released Persons) to provide notice of: (a) the contents and constituents of the water, (b) the lack of fitness of the water for a particular purpose, (c) the quality of the water, or (d) the failure or unavailability of facilities to transport or convey water to or for the benefit of any shareholder (collectively, items (1) through (4) shall be referred to as the "Released Matters").

Section 5. Release. The shareholders hereby agree on their own behalf and on behalf of their tenants, assignees, heirs, distributors, guardians, and legal representatives to release the Corporation and the Released Persons from any lawsuits, actions, proceedings, claims, demands, or causes of action based on or related to the Released Matters.

Section 6. Civil Code Section 1542. The shareholders hereby release the Corporation and the Released Persons from all actions, claims, or demands that any shareholder, or tenant, assignee, heir, distributor, guardian, and legal representative of any shareholder now have or may hereafter have for injury or damage resulting from the Released Matters. The shareholders understand that this release is to be broadly construed to prevent any claims or actions against the Corporation and the Released Persons relating to the Released Matters. The shareholders specifically waive all rights to bring future claims against the Corporation and the Released Persons based on or related to the Released Matters that otherwise would have been available

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with debtor."

Section 7. ACKNOWLEDGMENT. The shareholders have all carefully read the bylaw provisions set forth in this Article XIII and fully understand its contents. The shareholders acknowledge and agree that these bylaw provisions constitute a contract between the shareholders and the corporation (including the released persons) and that the shareholders (and all other persons on whose behalf the shareholder enters this agreement) are bound to the terms and conditions of these bylaw provisions. The shareholders are aware that this is a release of liability and a contract between themselves (and all other persons on whose behalf the shareholder enters this agreement) and the corporation and/or the released persons and agree to it of their own free will. The shareholders further acknowledge that they have been presented several alternative proposals to address the issue of liability arising out of the released matters and have freely and voluntarily adopted the terms and conditions of this Article XIII in light of these alternatives.

I hereby acknowledge the receipt and declare that I have read and understand this section of the bylaws.

Shareholder - Printed name

Shareholder - Signature

Date

Tenant - Printed name

Tenant - Signature

Date