

AMENDMENT TO THE BY-LAWS
OF VAUGHN WATER COMPANY, INC.

As duly adopted by the Vaughn Water Company, Inc. Board of Directors on April 5, 2005, the By-laws of the Vaughn Water Company, Inc. are hereby amended to include the following:

Article VII.


Section 5. It has long been the historical, established practice of Vaughn Water Company to provide water service to its shareholders by acting as the agent for, and exercising the rights of its shareholders to extract groundwater for their common benefit, as provided by California law. This practice has been carried out without any prior objection by shareholders. The owners of tracts approved after April 1, 2005, shall execute a recorded agreement in a form satisfactory to the Company acknowledging the foregoing.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Vaughn Water Company, a California Corporation; and
2. That the foregoing Amended By-laws comprising 2 pages constitute the Amendments to the By-laws of said Corporation as duly adopted at a meeting of the Board of Directors thereof duly held on April 5, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation this _____ day of April, 2005.


Secretary-Treasurer