

and such persons shall hold office until the first meeting of the stockholders thereafter.

#### ARTICLE IV.

##### POWER OF DIRECTORS.

The Directors shall have power:

1st. To call special meetings of the stockholders when they deem it necessary. And they shall call a meeting at any time, upon the written request of stockholders holding one-third of all the capital stock.

2nd. To appoint and remove, at pleasure, all officers, agents and employees of the Corporation, prescribe their duties, fix their compensation, and require of them security for faithful service.

3d. To conduct, manage and control the affairs and business of the Corporation, and to make rules and regulations, not inconsistent with the laws of the State of California, or the By-Laws of the Corporation, for the guidance of the officers and management of the affairs of the Corporation.

4th. To incur indebtedness. The terms and amount of such indebtedness shall be entered on the minutes of the Board, and the note or obligation given for the same, signed officially by the president and secretary, shall be binding on the Corporation.

#### ARTICLE V.

##### DUTIES OF DIRECTORS.

It shall be the duty of the Directors:

1st. To cause to be kept a complete record of all their minutes and acts, and of the proceedings of the stockholders, and present a full statement at the regular annual meeting of the stockholders, showing in detail the assets and liabilities of the Corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the stockholders, when thereto required by persons holding at least one-half of the capital stock of the Corporation.

2d. To supervise all officers, agents and employees, and see that their duties are properly performed. To cause to be issued to the stockholders, in proportion to their several interests, certificates of stock, not to exceed in the aggregate one million dollars.

#### ARTICLE VI.

##### OFFICERS.

The officers shall be a president, vice-president, secretary and treasurer, which officers shall be elected by and hold office at the pleasure of the Board of Directors. The compensation and tenure of office of all the officers of the Corporation (other than Directors) shall be fixed and determined by the Board of Directors.

#### ARTICLE VII.

##### PRESIDENT.

The Board of Directors shall, at their first regular meeting, elect one of their number to act as president; and if, at any time, the president shall be unable to act, the vice-president shall take his place and perform his duties; and if the vice-president, from any cause, shall be unable to act, they shall appoint some other member of the Board to do so, in whom shall be vested, for the time being, all the duties and functions of his office. The president, or in his absence, the Director appointed as above provided:—

1st. Shall preside over all meetings of the stockholders and Directors, and shall have the casting vote.

2d. He shall sign, as president, all certificates of stock, and all contracts and other instruments of writing which have been first approved by the Board of Directors and shall draw checks upon the treasurer.

3d. He shall call the Directors together whenever he deems it necessary, and shall have, subject to the advice of the Directors, direction of the affairs of the Corporation, and generally shall discharge such other duties as may be required of him by the By-Laws of the Corporation.

The president, or two of the Directors, may call special meetings of the Directors at any time, and notice shall be given of such called meetings by leaving a written or printed notice at the last known place of business or of residence of each Director. Such service of notice shall be entered on the minutes of the Corporation; and the said minutes, upon being read and approved at a subsequent meeting of the Board, shall be conclusive upon the question of service.

#### ARTICLE VIII.

##### SECRETARY.

The Board of Directors shall elect a secretary.

1st. It shall be the duty of the secretary to keep a record of the proceedings of the Board of Directors and of the stockholders.

2d. He shall keep the corporate seal of the Corporation and the book of blank certificates of stock, fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book on such issuance; and he shall affix said corporate seal to all papers requiring a seal.

3d. He shall keep a proper transfer book, and a stock ledger in debit and credit form, showing the number of shares issued to and transferred by any stockholder, and the dates of such issuance and transfer.

4th. He shall keep proper account books, countersign all checks drawn upon the treasurer, and discharge such other duties as pertain to his office and as are prescribed by the Board of Directors.

5th. The secretary shall serve all notices required either by law or the By-Laws of the company; and in case of his absence, inability, refusal, or neglect so to do, then such notices may be served by any person thereunto directed by the president or vice-president of the company.

#### ARTICLE IX.

##### TREASURER.

The treasurer shall receive and keep all the funds of the Corporation and pay them out only on the check of the president, countersigned by the secretary.

#### ARTICLE X.

##### SUPERINTENDENT.

The Board of Directors shall elect a Superintendent who shall hold his office at the pleasure of the Board, who shall at all times be subject to removal by the Board, who shall perform such duties as shall from time to time be prescribed by the Board, and who shall have immediate charge of the entire canal system. He shall appoint such janitors and assistants as may be necessary in distributing the water and employ such help as may be necessary to keep the canal system in good repair. All appointments shall be made, all help shall be employed and all work shall be done under such rules and regulations as shall be adopted from time to time by the Board of Directors. The methods for distributing the water and collecting rates for the same shall also be fixed by the Board of Directors.

#### ARTICLE XI.

##### BOOKS AND PAPERS.

The books and such papers as may be placed on file by vote of the stockholders or Directors shall, at all times in business hours, be subject to the inspection of the Board of Directors, and of any stockholder.

#### ARTICLE XII.

##### CERTIFICATES OF STOCK.

Certificates of stock shall be of such form and device as the Board of Directors may direct; and each certificate shall be signed by the president and countersigned by the secretary, and express on its face its number, date of issuance, the number of shares for which, and the person to whom it is issued.

The certificate book shall contain a margin, on which shall be entered the number, date, number of shares, and name of the person expressed in the corresponding certificate.

#### ARTICLE XIII.

##### TRANSFER OF STOCK.

Shares of the Corporation may be transferred at any time by the holders thereof, or by attorney legally constituted, or by their legal representatives, by indorsement on the certificate of stock. But no transfer shall be valid until the surrender of the certificate and the acknowledgement of such transfer on the books of the company.

No surrendered certificate shall be canceled by the secretary before a new one is issued in lieu thereof, and the secretary shall preserve the certificate so canceled as a voucher. If, however, a certificate shall be lost or destroyed, the Board of Directors may order a new certificate issued upon such guarantees by the parties claiming the same as they may deem satisfactory.

#### ARTICLE XIV.

##### MEETINGS.

The annual meeting of the stockholders may be held in Los Angeles, California, on the second Tuesday in January in each year and shall be called by a notice printed in one or more newspapers, published in the county of Los Angeles, as the Directors may elect, for at least ten days last preceding the day of meeting, or by a notice in writing by the president, delivered to each stockholder personally.

No meeting of stockholders shall be competent to transact business, unless a majority of stock is represented, except to adjourn from day to day, or until such time as may be deemed proper.

At each annual meeting of the stockholders, Directors for the ensuing year shall be elected by ballot, to serve for one year, and until their successors are elected. If, however, for want of a quorum, or other cause, a stockholders' meeting shall not be held on the day above named, or should the stockholders fail to complete their elections, or other such business as may be presented for their consideration, those present may adjourn from day to day, until the same shall be accomplished.

#### ARTICLE XV.

##### VOTING.

At all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock. Such proxy shall be in writing, and filed with the secretary.

#### ARTICLE XVI.

##### AMENDMENTS.

The By-Laws may be altered or amended at any meeting of the stockholders by a majority of the stock represented at such meeting, or by a two-thirds vote of the whole number of the Board of Directors, to be ratified by the first meeting of the stockholders thereafter.

#### ARTICLE XVII.

##### SEAL.

The company shall have a common seal, consisting of a circle having on its circumference the words Imperial Water Company, No. 1, Incorporated March 29, 1900.

##### Know all Men by these Presents:

That we the undersigned, being the holders and owners of all the subscribed capital stock of the Imperial Water Company No. 1, viz: one share each for each one of the stockholders who are subscribers hereto, hereby assent to the foregoing By-Laws, and adopt the same as the By-Laws of the said Corporation.

In Witness Whereof, we have hereunto subscribed our names, this second day of April, A. D. nineteen hundred.

A. M. CHAFFEY,  
N. W. STOWELL,  
D. K. EDWARDS,  
A. J. CONDEE,  
J. W. SWANWICK,  
Stockholders.

##### Know all Men by these Presents:

That we, the undersigned, Directors and Secretary of the Corporation, known as and called the Imperial Water Company No. 1, do hereby certify that the above and foregoing By-Laws were duly adopted as the By-Laws of said Corporation, on the 7th day of April, A. D. nineteen hundred; and that the same do now constitute the By-Laws of said Corporation.

A. M. CHAFFEY,  
N. W. STOWELL,  
D. K. EDWARDS,  
A. J. CONDEE,  
J. W. SWANWICK,  
Directors.

### Contracts to Which Imperial Water Company No. 1 is a Party

On the 6th day of April, 1900, a contract was entered into between La Sociedad de Yrrigacion y Terrenos de la Baja California (Sociedad Anonima) and Imperial Water Company No. 1 for a permanent water supply from the Imperial Canal System, the Mexican Corporation above named being the company owning that portion of the Imperial Canal System located in Lower California.

On the 28th day of December, 1900, a contract was made between the California Development Company and La Sociedad de Yrrigacion y Terrenos de la Baja California (Sociedad Anonima) by the terms of which the first named corporation agreed to furnish water to the Mexican corporation for use on lands in Lower California and also to supply water to the Mutual Water Companies for use in the State of California.

On the 24th day of July, 1901, a contract was entered into between La Sociedad de Yrrigacion y Terrenos de la Baja California (Sociedad Anonima) first party, Imperial Water Company No. 1 second party, and The California Development Company, third party.

The first two contracts above named are attached to this last named contract as "Exhibit A" and "Exhibit B," and made a part of this contract.

Following is a copy of the last named contract with Exhibits "A" and "B" attached thereto.

**THIS AGREEMENT,** Made and entered into this 24th day of July, 1901, at the city of Los Angeles, California, by and between La Sociedad de Yrrigacion y Terrenos de la Baja California (Sociedad Anonima), a corporation, organized and existing under the laws of the Republic of Mexico, party of the first part, and Imperial Water Company Number 1, a corporation, organized and existing under the laws of the State of California, party of the second part, and The California Development Company, a corporation, organized and existing under the laws of the State of New Jersey, and having the principal place of business of its