

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**Current Report Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **May 22, 2012**

**CALIFORNIA WATER SERVICE GROUP**

(Exact name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-13883**  
(Commission file number)

**77-0448994**  
(I.R.S. Employer  
Identification Number)

**1720 North First Street**  
**San Jose, California**  
(Address of principal executive offices)

**95112**  
(Zip Code)

**(408) 367-8200**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01. Entry into a Material Definitive Agreement.**

On May 22, 2012, the board of directors of California Water Service Group (the "Company") approved a new form of indemnification agreement (the "Indemnification Agreement") for its directors and certain officers that will replace the Company's existing indemnification agreements. Under the Indemnification Agreement, the Company agrees to indemnify its directors and certain officers against liability arising out of the performance of their duties as a director or officer of the Company. The Indemnification Agreement provides mandatory indemnification to the fullest extent permitted by applicable law for all expenses, liabilities and losses actually and reasonably incurred in any action or proceeding, including any action by or in the right of the Company arising out of service to the Company or to any other entity to which they provide services at the Company's request, on the terms and conditions set forth in the Indemnification Agreement. Further, the Company agrees to advance expenses incurred in defense of these proceedings, on the terms and conditions set forth in the Indemnification Agreement. The Indemnification Agreement also provides procedures for requesting and obtaining indemnification and advancement of expenses.

The foregoing description of the Indemnification Agreement is a general description only and is qualified in its entirety by reference to the form Indemnification Agreement, a copy of which is attached hereto as Exhibit 10.1, and incorporated herein by reference.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

As previously disclosed in the Company's definitive proxy statement dated April 13, 2012, Robert W. Foy, the chairman of the Company's board of directors since January 1, 1996, did not stand for re-election at the Company's Annual Meeting of Stockholders held on May 22, 2012 (the "Annual Meeting") in accordance with the Company's mandatory retirement age for directors. Peter C. Nelson, the Company's president and chief executive officer and a member of the Company's board of directors, was elected chairman of the Company's board of directors effective May 22, 2012.

The Company issued press releases regarding Mr. Foy's retirement and Mr. Nelson's election as chairman of the Company's board of directors, copies of which are attached hereto as Exhibits 99.1 and 99.2, respectively.

**Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On May 22, 2012, the Company's board of directors adopted minor amendments to the Company's Amended and Restated Bylaws (the "Amendments") to accommodate the board's new leadership structure (discussed in Item 5.02 above).

The foregoing description of the Amendment is a general description only and is qualified in its entirety by reference to the actual language of the Amendments, as reflected in the Company's Amended and Restated Bylaws, a copy of which is attached hereto as Exhibit 3.1, and incorporated herein by reference.

**Item 5.07. Submission of Matters to a Vote of Security Holders**

The Company held its Annual Meeting on May 22, 2012. Stockholders acted on three items of business at the Annual Meeting. The voting results are as follows:

1. The following nominees for Director were elected to serve until the 2013 Annual Meeting of Stockholders based upon the following votes:

Nominee	Votes For	Votes Against	Abstentions	Broker Non-Votes
Douglas M. Brown	26,543,068	926,769	181,510	9,743,913
Edwin A. Guiles	26,620,194	854,699	176,454	9,743,913
Bonnie G. Hill	26,526,410	942,174	182,763	9,743,913
Thomas M. Krummel, M.D.	27,267,728	201,348	182,271	9,743,913
Richard P. Magnuson	26,563,412	906,432	181,503	9,743,913
Linda R. Meier	26,527,970	938,815	184,562	9,743,913
Peter C. Nelson	26,801,659	668,221	181,467	9,743,913
Lester A. Snow	27,285,416	182,701	183,230	9,743,913
George A. Vera	27,217,860	237,262	196,225	9,743,913

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2. The proposal for an advisory vote on the compensation paid to the Company's named executive officers was approved as follows:

Votes For	Votes Against	Abstentions	Broker Non-Votes
16,886,259	10,292,529	472,559	9,743,913

3. The appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for 2012 was ratified as follows:

Votes For	Votes Against	Abstentions	Broker Non-Votes
37,052,217	154,251	188,792	0

**Item 9.01. Financial Statements and Exhibits.**

We hereby file the following exhibits with this report:

Exhibit No.	Description
3.1	Amended and Restated Bylaws of the Company
10.1	Form of Indemnification Agreement
99.1	Press Release regarding resignation of Robert W. Foy issued May 22, 2012
99.2	Press Release regarding election of Pete C. Nelson issued May 22, 2012

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CALIFORNIA WATER SERVICE GROUP**

Date: May 23, 2012

By: /s/ Martin A. Kropelnicki  
 Name: Martin A. Kropelnicki  
 Title: Vice President, Chief Financial Officer & Treasurer

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AMENDED AND RESTATED BYLAWS  
OF  
CALIFORNIA WATER SERVICE GROUP  
(A DELAWARE CORPORATION)  
AS AMENDED EFFECTIVE MAY 22, 2012

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AMENDED AND RESTATED BYLAWS  
OF  
CALIFORNIA WATER SERVICE GROUP  
(a Delaware corporation)  
as amended effective May 22, 2012

**ARTICLE 1. OFFICES**

**SECTION 1.1. REGISTERED OFFICE.**

The registered office shall be c/o National Registered Agents, Inc., 9 East Lookerman Street, Dover, County of Kent, State of Delaware.

**SECTION 1.2. PRINCIPAL PLACE OF BUSINESS.**

The corporation's principal place of business shall be 1720 North First Street, San Jose, California, or such other place as the board of directors shall designate from time to time.

**SECTION 1.3. OTHER OFFICES.**

One or more branch or other subordinate offices may at any time be fixed and located by the board of directors at such place or places within or without the State of Delaware as it deems appropriate.

**ARTICLE 2. DIRECTORS**

**SECTION 2.1. EXERCISE OF CORPORATE POWERS.**

Except as otherwise provided by the certificate of incorporation of the corporation or by the laws of the State of Delaware now or hereafter in force, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors. The board may delegate the management of the day-to-day operation of the business of the corporation as permitted by law provided that the business and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board.

**SECTION 2.2. NUMBER.**

The number of the corporation's directors shall be not less than seven (7) nor more than eleven (11), the exact number of which shall be fixed by a resolution approved by the stockholders or by the board of directors.

**SECTION 2.3. NEED NOT BE STOCKHOLDERS.**

The directors of the corporation need not be stockholders of the corporation.

**SECTION 2.4. COMPENSATION.**

Directors shall receive such compensation for their services as directors and such reimbursement for their expenses of attendance at meetings as may be determined from time to time by resolution of the board. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

**SECTION 2.5. ELECTION AND TERM OF OFFICE.**

At each annual meeting of stockholders, directors shall be elected to hold office until the next annual meeting, provided, that if for any reason, said annual meeting or an adjournment thereof is not held or the directors are not elected thereat, then the directors may be elected at any special meeting of the stockholders called and held for that purpose. The term of office of the directors shall begin immediately after their election and shall continue until the expiration of the term for which elected and until their respective successors have been elected and qualified.

**SECTION 2.6. VACANCIES.**

A vacancy or vacancies in the board of directors shall exist when any authorized position of director is not then filled by a duly elected director, whether caused by death, resignation, removal, change in the authorized number of directors (by the board or the stockholders) or otherwise. The board of directors may declare vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony. Except for a vacancy created by the removal of a director, vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. A vacancy created by the removal of a director may be filled only by the approval of the stockholders. Any director may resign effective upon giving written notice to the Chairman of the board, the President and Chief Executive Officer, the Corporate Secretary or the board of directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

**SECTION 2.7. REMOVAL.**

(a) Any and all directors may be removed without cause if such removal is approved by the affirmative vote of a majority of the votes entitled to be cast by the outstanding voting shares at an election of directors, except that when by the provisions of the certificate the holders of the shares of any class or series, voting as a class or series, are entitled to elect one or more directors, any director so elected may be removed only by the applicable vote of the holders of the shares of that class or series.

(b) Any reduction of the authorized number of directors does not remove any director prior to the expiration of such director's term of office.

(c) A director shall be deemed to be removed for cause if such person ceases to be eligible to serve as a director under the terms of Section 2.8.

#### **SECTION 2.8. DIRECTOR CONFLICT OF INTEREST.**

(a) In order to protect the best interests of the stockholders of the corporation, no person shall be qualified to be elected as a director of the corporation or be qualified to continue to serve as a director of the corporation if it is determined in accordance with this Section 2.8 that such person is (i) an owner, part owner, stockholder, partner, member, director, officer, manager, employee of or consultant to, or otherwise has a fiduciary duty to, any Strategic Competitor or (ii) an owner, part owner, stockholder, partner, member, director, officer, manager, employee of or consultant to, or otherwise has a fiduciary duty to, any business organization that beneficially owns five percent or more of the voting securities or five percent or more of the equity securities of a Strategic Competitor.

(b) For purposes of this Section 2.8, a "Strategic Competitor" is any business organization (whether a corporation, partnership, limited liability company, proprietorship or any other form) whose activities, products or services are competitive with those of the corporation or its subsidiaries and which, in the opinion of a majority of the corporation's Board of Directors, would obtain an unfair competitive advantage over the corporation if it were to receive disclosure of the substance of any nonpublic deliberations by the corporation's Board of Directors.

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(c) Notwithstanding the foregoing, a director or nominee for director may make a passive investment in a Strategic Competitor the shares of which are publicly traded if such investment constitutes less than five percent of the voting securities and less than five percent of the equity securities of such enterprise and has a market value not greater than \$100,000. Such investment alone shall not make a person ineligible to become or remain a director of the corporation.

(d) In furtherance of the foregoing, each person elected as a director of the corporation shall enter into a confidentiality agreement with the corporation in the form provided by the corporation.

(e) Any person who, at the time he or she is a nominee for a position as a director of the corporation, fails to qualify under the provisions of this Section 2.8 or to enter into or comply with the terms of such confidentiality agreement, as determined by a majority of the directors in office immediately prior to any such election (exclusive of the nominee under consideration), shall no longer qualify as a nominee for director and shall not be elected as a director of the corporation, irrespective of any vote of the stockholders of the corporation. The chairman of the Board of Directors is authorized to instruct the inspector of elections to disregard any votes or proxies voted in favor of any person at any meeting or otherwise, and the inspector of elections shall comply with any such instruction.

(f) Any director of the corporation who, at any time during his/her term of office, fails to qualify under the provisions of this Section 2.8 or to enter into or comply with the terms of such confidentiality agreement, in each case as determined by a majority of the directors (exclusive of the director under consideration), shall automatically be removed for cause and shall cease to be a director of the corporation, without any vote of the stockholders of the corporation. The chairman of the Board of Directors is authorized to instruct the secretary of the corporation to certify the removal for cause of any person as a director if such person ceases to be eligible to serve as a director under the terms of this Section 2.8, and the secretary shall comply with any such instruction.

(g) Subsection (f) of this Section 2.8 shall not apply to directors in office on the date of the adoption of Section 2.8 with respect to relationships and conflicts in existence on such date. Subsection (f) shall apply to existing directors with respect to relationships and conflicts that arise after the date of the adoption of this Section 2.8.

(h) This Section 2.8 is intended to prescribe certain qualifications for directors as authorized by Section 141 of the Delaware General Corporation Law.

### **ARTICLE 3. OFFICERS**

#### **SECTION 3.1. ELECTION AND QUALIFICATIONS.**

The officers of this corporation shall consist of a President and Chief Executive Officer, one or more Vice Presidents, a Corporate Secretary, one or more Assistant Secretaries, a Chief Financial Officer and Treasurer, one or more Assistant Treasurers and a Controller who shall be chosen by the board of directors and such other officers as the board of directors shall deem expedient, who shall be chosen in such manner and hold their offices for such terms as the board of directors may prescribe. Any two or more of such offices may be held by the same person. Any Vice President may exercise any of the powers of the President and Chief Executive Officer, Chief Financial Officer and Treasurer, or the Corporate Secretary, respectively, as directed by the board of directors and shall perform such other duties as are imposed upon such officer by the bylaws or the board of directors. The Chairman of the board of directors shall be chosen from the directors, and may or may not be an officer of the corporation. Officers, other than the Chairman of the board, may or may not be directors. The board of directors shall designate the chief executive officer of the corporation.

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#### **SECTION 3.2. TERM OF OFFICE AND COMPENSATION.**

The term of office and salary of each of said officers and the manner and time of the payment of such salaries shall be fixed and determined by the board of directors and may be altered by said board of directors from time to time at its pleasure, subject to the rights, if any, of said officers under any contract of employment.

#### **SECTION 3.3. REMOVAL AND VACANCIES.**

Any officer of the corporation may be removed at the pleasure of the board of directors at any meeting or by vote of stockholders entitled to exercise a majority of the voting power of the corporation at any meeting or at the pleasure of any officer who may be granted such power by a resolution of the board of directors. Any officer may resign at any time upon written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party. If any vacancy occurs in any office of the corporation, the board of directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until a successor is duly chosen and qualified.

### **ARTICLE 4. CHAIRMAN OF THE BOARD**

The Chairman of the board of directors shall preside at meetings of the stockholders and of the board of directors and shall do and perform such other duties as may from time to time be assigned to him by the board of directors. If the Chairman of the board is not present at a meeting of the stockholders or the board of directors, another

person chosen by the board of directors shall preside. The Chairman of the board, if designated by the board of directors as an officer of the corporation, shall have the power and authority to affix the signature of the corporation to all deeds, conveyances, mortgages, leases, obligations, bonds, contracts, certificates and other papers and instruments in writing which have been authorized or directed by the board of directors or which, in his judgment, should be executed on behalf of the corporation.

#### **ARTICLE 5. PRESIDENT AND CHIEF EXECUTIVE OFFICER**

The President and Chief Executive Officer shall do and perform such duties as may from time to time be assigned to him by the board of directors. He shall have the power and authority to affix the signature of the corporation to all deeds, conveyances, mortgages, leases, obligations, bonds, contracts, certificates and other papers and instruments in writing which have been authorized or directed by the board of directors or which, in his judgment, should be executed on behalf of the corporation, and to sign certificates for shares of stock of the corporation.

#### **ARTICLE 6. VICE PRESIDENTS**

In case of the absence, disability or death of the President and Chief Executive Officer, a Vice President shall exercise all the powers and perform all the duties of the President and Chief Executive Officer. The Vice President shall have such powers and perform such duties as may be granted or prescribed by the board of directors.

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#### **ARTICLE 7. CORPORATE SECRETARY**

##### **SECTION 7.1. POWERS AND DUTIES.**

The powers and duties of the Corporate Secretary are:

- (a) To keep at the principal place of business of the corporation, or such other place as the board of directors may order, a book of minutes of all meetings of directors and stockholders with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at stockholders' meetings and the proceedings thereof.
- (b) To keep the seal of the corporation and to affix the same to all instruments which may require it.
- (c) To keep or cause to be kept at the principal office of the corporation, or at the office of the transfer agent or agents, a share register, or duplicate share registers, showing the names of the stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for shares, and the number and date of cancellation of every certificate surrendered for cancellation.
- (d) To keep a supply of certificates for shares of the corporation, to fill in all certificates issued, and to make a proper record of each such issuance; provided that so long as the corporation shall have one or more duly appointed and acting transfer agents of the shares, or any class or series of shares of the corporation, such duties with respect to such shares shall be performed by such transfer agent or transfer agents.
- (e) To transfer upon the share books of the corporation any and all shares of the corporation; provided that so long as the corporation shall have one or more duly appointed and acting transfer agents of the shares, or any class or series of shares, of the corporation, such duties with respect to such shares shall be performed by such transfer agent or transfer agents, and the method of transfer of each certificate shall be subject to the reasonable regulations of the transfer agent to which the certificate is presented for transfer, and also, if the corporation then has one or more duly appointed and acting registrars, to the reasonable regulations of the registrar to which the new certificate is presented for registration; and provided, further, that no certificate for shares of stock shall be issued or delivered or, if issued or delivered, shall have any validity whatsoever until and unless it has been signed or authenticated in the manner provided in Section 13.4 hereof.
- (f) To make service and publication of all notices that may be necessary or proper, and without command or direction from anyone. In case of the absence, disability, refusal or neglect of the Corporate Secretary to make service or publication of any notices, then such notices may be served and/or published by the President and Chief Executive Officer or a Vice President, or by any person thereunto authorized by either of them or by the board of directors or by the holders of a majority of the outstanding shares of the corporation.
- (g) Generally to do and perform all such duties as pertain to the office of the Corporate Secretary and as may be required by the board of directors.

##### **SECTION 7.2. ASSISTANT SECRETARIES.**

Each Assistant Secretary shall have such powers and shall perform such duties as may be assigned by the board of directors; and in case of the absence, disability or death of the Corporate Secretary, an Assistant Secretary shall be designated by the board of directors to take the place of the Corporate Secretary and perform the Corporate Secretary's duties.

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#### **ARTICLE 8. CHIEF FINANCIAL OFFICER AND TREASURER**

##### **SECTION 8.1. POWERS AND DUTIES.**

At the discretion of the board of directors, the Chief Financial Officer and Treasurer may be one office held by one person or separate offices held by two persons. The powers and duties of the Chief Financial Officer and Treasurer are:

- (a) To supervise and control the keeping and maintaining of adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall at all reasonable times be open to inspection by any director.
- (b) To have the custody of all funds, securities, evidence of indebtedness and other valuable documents of the corporation and, at the discretion of the Chief Financial Officer and Treasurer, to cause any or all thereof to be deposited for the account of the corporation with such depository as may be designated from time to time by the board of directors.
- (c) To receive or cause to be received, and to give or cause to be given, receipts and acquittances for moneys paid in for the account of the corporation.
- (d) To pay out of the corporation funds on hand all just debts of the corporation of whatsoever nature upon maturity of the same and to disburse, or cause to be disbursed, all funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

(e) To render to the Chairman of the board, to the President and Chief Executive Officer and to the board of directors, whenever they may require, accounts of all transactions and of the financial condition of the corporation.

(f) Generally to do and perform all such duties as pertain to the office of Chief Financial Officer and Treasurer and as may be required by the board of directors.

#### **SECTION 8.2. ASSISTANT TREASURERS.**

Each Assistant Treasurer shall have such powers and shall perform such duties as may be assigned to him by the board of directors; and in case of the absence, disability or death of the Chief Financial Officer and Treasurer, an Assistant Treasurer shall be designated by the board of directors to take his place and perform his duties.

#### **ARTICLE 9. CONTROLLER**

The Controller shall have charge of the corporation's books of accounts, records and auditing, and generally do and perform all such other duties as pertain to his office and as may be required by the board of directors.

#### **ARTICLE 10. COMMITTEES OF THE BOARD**

##### **SECTION 10.1. APPOINTMENT AND PROCEDURE.**

The board of directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees each consisting of two or more directors to serve at the pleasure of the board. The board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee.

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##### **SECTION 10.2. POWERS.**

Any committee appointed by the board of directors, to the extent provided in the resolution of the board or in these bylaws, shall have all the authority of the board except with respect to:

- (a) the approval of any action which requires the approval or vote of the stockholders;
- (b) the filling of vacancies on the board or on any committee;
- (c) the fixing of compensation of the directors for serving on the board or on any committee;
- (d) the amendment or repeal of bylaws or the adoption of new bylaws;
- (e) the amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable;
- (f) a distribution to the stockholders of the corporation, except at a rate or in a periodic amount or within a price range determined by the board;
- (g) the appointment of other committees of the board or the members thereof.

##### **SECTION 10.3. EXECUTIVE COMMITTEE.**

In the event that the board of directors appoints an executive committee, such executive committee shall include the Chairman of the board as one of its members. In all cases in which specific directions to the contrary shall not have been given by the board of directors, such executive committee shall have and may exercise, during the intervals between the meetings of the board of directors, all the powers and authority of the board of directors in the management of the business and affairs of the corporation (except as provided in Section 10.2 hereof) in such manner as the executive committee may deem in the best interests of the corporation.

#### **ARTICLE 11. MEETINGS OF THE STOCKHOLDERS**

##### **SECTION 11.1. PLACE OF MEETINGS.**

Meetings (whether regular, special or adjourned) of the stockholders of the corporation shall be held at the principal place of business as specified in accordance with Section 1.2 hereof, or any place which may be designated by the board of directors.

##### **SECTION 11.2. TIME OF ANNUAL MEETINGS.**

The annual meeting of the stockholders shall be held at such time on such date as shall be designated from time to time by resolution of the board of directors, in accordance with applicable law.

##### **SECTION 11.3. SPECIAL MEETINGS.**

Special meetings of the stockholders may be called by the board of directors, the Chairman of the board, the President or the holders of shares entitled to cast not less than ten per-cent (10%) of the vote at the meeting.

##### **SECTION 11.4. NOTICE OF MEETINGS.**

(a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than ten (10) nor more than sixty (60) days before the day of the meeting to each stockholder entitled to vote thereat. Such notice shall state the place, date and hour of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the annual meeting, those matters

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which the board, at the time of the mailing of the notice, intends to present for action by the stockholders, but subject to provisions of subdivision (b) any proper matter may be presented at the meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of nominees intended at the

time of the notice to be presented by management for election.

(b) Any stockholder approval at a meeting on any matter, other than unanimous approval by those entitled to vote, on any of the matters listed below shall be valid only if the general nature of the proposal so approved was stated in the notice of meeting or in any written waiver of notice:

- (1) a proposal to approve a contract or other transaction between the corporation and one or more of its directors, or between the corporation and any corporation, firm or association in which one or more directors has a material financial interest;
- (2) a proposal to amend the certificate of incorporation;
- (3) a proposal regarding a reorganization, merger or consolidation involving the corporation;
- (4) a proposal to wind up and dissolve the corporation;
- (5) a proposal to adopt a plan of distribution of the shares, obligations or securities of any other corporation, domestic or foreign, or assets other than money which is not in accordance with the liquidation rights of any preferred shares as specified in the certificate of incorporation.

#### **SECTION 11.5. DELIVERY OF NOTICE.**

Notice of a stockholders' meeting or any report shall be given either personally or by mail or other means of written communication, addressed to the stockholder at the address of such stockholder appearing on the books of the corporation or given by the stockholder to the corporation for the purpose of notice; or if no such address appears or is given, at the place where the principal executive office of the corporation is located or by publication in at least once in a newspaper of general circulation in the county in which the principal executive office is located. The notice or report shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of mailing of any notice or report in accordance with the provisions of this section, executed by the Corporate Secretary or any transfer agent, shall be prima facie evidence of the giving of notice or report.

If any notice or report addressed to the stockholders at the address of such stockholder appearing on the books of the corporation is returned to the corporation by United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice or report to the stockholder at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the stockholder upon written demand of the stockholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice to all other stockholders.

#### **SECTION 11.6. ADJOURNED MEETINGS.**

When a stockholders' meeting is adjourned to another time or place, unless the bylaws otherwise require and except as provided in this section, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

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#### **SECTION 11.7. ATTENDANCE AT STOCKHOLDERS' MEETING.**

Attendance of a person at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by the Delaware General Corporation Law to be included in the notice but not so included in the notice if such objection is expressly made at the meeting.

#### **SECTION 11.8. QUORUM.**

(a) The presence in person or by proxy at any meeting of persons entitled to cast a majority of the votes entitled to be cast by the outstanding voting shares shall constitute a quorum for the transaction of business. If a quorum is present, the affirmative vote of a majority of votes entitled to be cast by the shares represented at the meeting and entitled to vote on any matter shall be the act of the stockholders, unless the vote of a different number or voting by classes is required by law or the certificate of incorporation or these bylaws and except as provided in subdivision (b).

(b) The stockholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than (i) adjournment or (ii) an election of directors, which shall be governed by Section 11.13) is approved by an affirmative vote equal to at least a majority of the votes required to constitute a quorum.

(c) In the absence of a quorum, any meeting of stockholders may be adjourned from time to time by the vote of a majority of votes entitled to be cast by the shares represented either in person or by proxy, but no other business may be transacted, except as provided in subdivision (b).

#### **SECTION 11.9. ACTIONS WITHOUT MEETING.**

As provided in the certificate of incorporation, stockholders may not take action by written consent without a stockholder meeting held in accordance with applicable law and these bylaws.

#### **SECTION 11.10. [Intentionally left blank]**

#### **SECTION 11.11. VOTING RIGHTS.**

Each holder of common shares entitled to be voted shall be entitled to one vote for each common share with respect to each matter submitted to a vote of stockholders. Any holder of shares entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, other than elections to office for which plurality voting applies, but, if the stockholder fails to specify the number of shares such stockholder is voting affirmatively, it will be conclusively presumed that the stockholder's approving vote is with respect to all shares such stockholder is entitled to vote.

#### **SECTION 11.12. DETERMINATION OF HOLDERS OF RECORD.**

(a) In order that the corporation may determine the stockholders entitled to notice of any meeting or to vote or entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the date of such meeting nor more than sixty (60) days prior to any other action.

- (b) In the absence of any record date set by the board of directors pursuant to subdivision (a) above, then:

(1) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(2) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

(3) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting, but the board shall fix a new record date if the meeting is adjourned for more than thirty (30) days from the date set for the original meeting.

(c) Stockholders on the record date are entitled to notice and to vote or to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the certificate or these bylaws or by agreement or applicable law.

#### **SECTION 11.13. ELECTIONS FOR DIRECTORS.**

(a) No stockholder shall be entitled to cumulate votes (i.e., cast for any one or more candidates a number of votes greater than the number of votes to which the stockholder's shares are entitled pursuant to Section 11.11).

(b) At all meetings of stockholders for the election of directors at which a quorum is present, each director shall be elected by the affirmative vote of the majority of the votes cast; provided, that if as of a date that is five (5) business days in advance of the date the corporation files its definitive proxy statement (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission the number of nominees exceeds the number of directors to be elected, the directors, not exceeding the authorized number of directors as fixed by the board of directors in accordance with the bylaws, shall be elected by a plurality of the votes entitled to be cast by the shares represented at any such meeting and entitled to vote on the election of directors. For purposes of this Section 11.13(b), a majority of the votes cast means that the number of shares voted "for" a director must exceed the number of shares voted "against" that director. If, for any cause, the entire board of directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in the bylaws.

(c) Elections for directors need not be by ballot unless a stockholder demands election by ballot at the meeting and before the voting begins or unless the bylaws so require.

#### **SECTION 11.14. PROXIES.**

(a) Every person entitled to vote shares may authorize another person or persons to act by proxy with respect to such shares. Any proxy purporting to be executed in accordance with the provisions of the General Corporation Law of the State of Delaware shall be presumptively valid.

(b) No proxy shall be valid after the expiration of three (3) years from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided in this section. Such revocation may be effected by a writing delivered to the corporation stating that the proxy is revoked or by a subsequent proxy executed by, or by attendance at the meeting and voting in person by the person executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution, regardless of the postmark dates on the envelopes in which they are mailed.

(c) A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted, written notice of such death or incapacity is received by the corporation.

#### **SECTION 11.15. INSPECTOR OF ELECTION.**

(a) In advance of any meeting of stockholders the board may appoint inspectors of election to act at the meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the chairman of any meeting of stockholders may, and on the request of any stockholder or a stockholder's proxy shall, appoint inspectors of election (or persons to replace those who so fail or refuse) at the meeting. The number of inspectors shall be either one (1) or three (3). If appointed at a meeting on the request of one or more stockholders or proxies, the holders of shares entitled to cast a majority of the votes entitled to be cast by the shares represented in person or by proxy shall determine whether one (1) or three (3) inspectors are to be appointed.

(b) The inspectors of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all stockholders.

(c) The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

#### **SECTION 11.16. INSPECTION OF STOCKHOLDER LIST AND OTHER RECORDS.**

(a) The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. This stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this section or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.



(b) Any stockholder, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hour for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in this state or at its principal place of business.

#### SECTION 11.17. NOTICE OF STOCKHOLDER BUSINESS AND NOMINATIONS.

(a) Annual Meetings of Stockholders.

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(1) Nominations of persons for election to the board of directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the corporation's notice of meeting, (B) by or at the direction of the board of directors or (C) by any stockholder of the corporation who was a stockholder of record at the time of giving of notice provided for in this bylaw, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this bylaw.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(1) of this bylaw, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal place of business of the corporation not later than the close of business on the 150th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the 150th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), and information confirming that such person is qualified under Section 2.8 of these bylaws to be elected and serve as a director;

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and

(C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made;

(i) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner; and

(ii) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(b) Special Meetings of Stockholders.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the corporation's notice of meeting (1) by or at the direction of the board of directors or (2) by any stockholder of the corporation who is a stockholder of record at the time of giving of notice provided for in this bylaw, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this bylaw. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(2) of this bylaw shall be delivered to the Secretary at the principal place of business of the corporation not later than the close of business on the later of the 150th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by

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the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this bylaw shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this bylaw. Except as otherwise provided by law, the certificate of incorporation or the bylaws of the corporation, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in this bylaw and, if any proposed nomination or business is not in compliance with this bylaw, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this bylaw. Nothing in this bylaw shall be deemed to affect any rights of (A) stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (B) holders of any series of Preferred Stock to elect directors under specified circumstances.

(4) If the adoption of this Section 11.17 is first included in a public announcement made less than 180 days before the next annual meeting of stockholders but more than 150 days before such meeting, the deadline for submission of proposals and nominations to be considered at such meeting shall be 120 days rather than 150 days.

## ARTICLE 12. MEETINGS OF DIRECTORS

### SECTION 12.1. PLACE OF MEETINGS.

Unless otherwise specified in the notice thereof, meetings (whether regular, special or adjourned) of the board of directors of this corporation shall be held at the principal place of business, as specified in accordance with Section 1.2 hereof, which is hereby designated as an office for such purpose in accordance with the laws of the State of Delaware, or at any other place which has been designated from time to time by the board.

### SECTION 12.2. REGULAR MEETINGS.

Regular meetings of the board of directors, of which no notice need be given except as required by the laws of the State of Delaware, shall be held after the adjournment of each annual meeting of the stockholders (which meeting shall be designated the Regular Annual Meeting) and at such other times as may be designated from time to time by resolution of the board of directors.

### SECTION 12.3. SPECIAL MEETINGS.

Special meetings of the board of directors may be called at any time by the Chairman of the board or the President or by any Vice President or the Corporate Secretary or by any two or more of the directors.

### SECTION 12.4. NOTICE OF MEETINGS.

Except in the case of regular meetings, notice of which has been dispensed with, the meetings of the board of directors shall be held upon four (4) days' notice by mail or forty-eight (48) hours' notice delivered personally or

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by telephone or electronic transmission. If the address of a director is not shown on the records and is not readily ascertainable, notice shall be addressed to him at the city or place in which the meetings of the directors are regularly held. Except as set forth in Section 11.6, notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

### SECTION 12.5. QUORUM.

A majority of the authorized number of directors constitute a quorum of the board for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors except as otherwise provided by law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

### SECTION 12.6. ADJOURNED MEETINGS.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

### SECTION 12.7. WAIVER OF NOTICE AND CONSENT.

- (a) Notice of a meeting need not be given to any director who submits a waiver of notice, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director.
- (b) The transactions of any meeting of the board, however called and noticed or wherever held, are as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present submits a waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

### SECTION 12.8. ACTION WITHOUT A MEETING.

Any action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing or by electronic transmission to such action. Such writing or writings or electronic transmission or transmissions shall be filed with the minutes of the proceedings of the board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Such action by consent in writing or by electronic transmission shall have the same force and effect as a unanimous vote of such directors.

### SECTION 12.9. CONFERENCE TELEPHONE MEETINGS.

Members of the board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

### SECTION 12.10. MEETINGS OF COMMITTEES.

The provisions of this Section apply also to committees of the board and action by such committees and incorporators.

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## ARTICLE 13. SUNDRY PROVISIONS

### SECTION 13.1. INSTRUMENTS IN WRITING.

All checks, drafts, demands for money and notes of the corporation, and all written contracts of the corporation, shall be signed by such officer or officers, agent or agents, as the board of directors may from time to time by resolution designate. No officer, agent, or employee of the corporation shall have power to bind the corporation by contract or otherwise unless authorized to do so by these bylaws or by the board of directors.

## **SECTION 13.2. FISCAL YEAR.**

The fiscal year of this corporation shall be the calendar year.

## **SECTION 13.3. SHARES HELD BY THE CORPORATION.**

Shares in other corporations standing in the name of this corporation may be voted or represented and all rights incident thereto may be exercised on behalf of this corporation by the President or by any other officer of this corporation authorized so to do by resolution of the board of directors.

## **SECTION 13.4. CERTIFICATES OF STOCK.**

There shall be issued to each holder of fully paid shares of the capital stock of the corporation a certificate or certificates for such shares. Any holder of shares in the corporation shall be entitled to have a certificate signed in the name of the corporation by the Chairman or Vice Chairman of the board or the President and Chief Executive Officer or a Vice President and by the Chief Financial Officer and Treasurer or the Corporate Secretary, certifying the number of shares and the class or series of shares owned by the stockholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of issue.

## **SECTION 13.5. LOST CERTIFICATES.**

The board of directors may by resolution provide that in the event any certificate or certificates for shares of the capital stock of the corporation shall be alleged to have been lost or destroyed, no new certificate or certificates shall be issued in lieu thereof until an indemnity bond in such form and in such amount as shall be approved by the President and Chief Executive Officer or a Vice President of the corporation shall have been furnished. The board of directors may adopt such other provisions and restrictions with reference to lost certificates as it shall in its discretion deem appropriate.

## **SECTION 13.6. CERTIFICATION AND INSPECTION OF BYLAWS.**

The corporation shall keep at its principal place of business the original or a copy of these bylaws as amended to date, which shall be open to inspection by the stockholders at all reasonable times during office hours.

## **SECTION 13.7. NOTICES.**

Any reference in these bylaws to the time a notice is given or sent means, unless otherwise expressly provided, the time a written notice by mail is deposited in the United States mails, postage prepaid; or the time any other written notice is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient; or the time any oral notice is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving the notice has reason to believe will promptly communicate it to the recipient.

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## **SECTION 13.8. REPORTS TO STOCKHOLDERS.**

The board of directors shall cause an annual report to be sent to the stockholders not later than 120 days after the close of the fiscal year or within such shorter time period as may be required by applicable law, and such annual report shall contain such information and be accompanied by such other documents as may be required by applicable law.

## **ARTICLE 14. CONSTRUCTION OF BYLAWS WITH REFERENCE TO PROVISIONS OF LAW**

### **SECTION 14.1. DEFINITIONS.**

Unless defined otherwise in these bylaws or unless the context otherwise requires, terms used herein shall have the same meaning, if any, ascribed thereto in the Delaware General Corporation Law, as amended from time to time.

### **SECTION 14.2. BYLAW PROVISIONS ADDITIONAL AND SUPPLEMENTAL TO PROVISIONS OF LAW.**

All restrictions, limitations, requirements and other provisions of these bylaws shall be construed, insofar as possible, as supplemental and additional to all provisions of law applicable to the subject matter thereof and shall be fully complied with in addition to the said provisions of law unless such compliance shall be illegal.

### **SECTION 14.3. BYLAW PROVISIONS CONTRARY TO OR INCONSISTENT WITH PROVISIONS OF LAW.**

Any section, subsection, subdivision, sentence, clause or phrase of these bylaws which upon being construed in the manner provided in Section 14.2 hereof, shall be contrary to or inconsistent with any applicable provision of law, shall not apply so long as said provisions of law shall remain in effect, but such result shall not affect the validity or applicability of any other portions of these bylaws, it being hereby declared that these bylaws would have been adopted and each section, subsection, subdivision, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses or phrases is or are illegal.

## **ARTICLE 15. ADOPTION, AMENDMENT OR REPEAL OF BYLAWS**

### **SECTION 15.1. BY STOCKHOLDERS.**

Bylaws may be adopted, amended or repealed by the affirmative vote of a majority of the votes entitled to be cast by the outstanding voting shares of the corporation.

### **SECTION 15.2. BY THE BOARD OF DIRECTORS.**

Subject to the right of stockholders to adopt, amend or repeal bylaws, any bylaw may be adopted, amended or repealed by the board of directors. A bylaw adopted by the stockholders may restrict or eliminate the power of the board of directors to adopt, amend or repeal any or all bylaws.

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## FORM OF INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT dated as of \_\_\_\_\_ between California Water Service Group (the “company”), and \_\_\_\_\_ (“Indemnitee”).

WHEREAS, the board of directors has determined that the ability to attract and retain qualified persons as directors and officers is in the best interests of the company’s stockholders and that the company should act to assure such persons that there will be adequate certainty of protection through insurance and indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the company; and

WHEREAS, the company’s certificate of incorporation provides for the elimination of liability of the directors of the company to the fullest extent permitted by Delaware law, and further provides for indemnification of any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was an agent of the corporation to the fullest extent permitted by Section 145 of the Delaware General Corporation Law (the “DGCL”), and the company wishes to clarify and enhance the rights and obligations of the company and Indemnitee with respect to indemnification and advancement of expenses; and

WHEREAS, in order to induce and encourage highly experienced and capable persons such as Indemnitee to serve and continue to serve as directors and officers of the company and in any other capacity with respect to the company, and to otherwise promote the desirable end that such persons will resist what they consider unjustified lawsuits and claims made against them in connection with the good faith performance of their duties to the company, with the knowledge that certain costs, judgments, penalties, fines, liabilities and expenses incurred by them in their defense of such litigation are to be borne by the company and they will receive the maximum protection against such risks and liabilities as may be afforded by law, the board of directors of the company has determined that the following Agreement is reasonable and prudent to promote and ensure the best interests of the company and its stockholders; and

WHEREAS, the company desires to have Indemnitee continue to serve as a director or officer of the company and in such other capacity with respect to the company as the company may request, as the case may be, free from undue concern for unpredictable, inappropriate or unreasonable legal risks and personal liabilities by reason of Indemnitee acting in good faith in the performance of Indemnitee’s duty to the company; and Indemnitee desires to continue so to serve the company, provided, and on the express condition, that he or she is furnished with the protections set forth hereinafter;

Now, therefore, in consideration of Indemnitee’s continued service as a director or officer of the company, the parties hereto agree as follows:

1. Service by Indemnitee. Indemnitee will serve and/or continue to serve as a director or officer of the company faithfully and to the best of Indemnitee’s ability so long as Indemnitee is duly elected or appointed and until such time as Indemnitee is removed as permitted by law or tenders a resignation in writing. This Agreement shall not impose any

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obligation on the company to continue Indemnitee’s service to the company beyond any period otherwise required by law or by other agreements of the parties, if any.

2. Indemnification and Advancement of Expenses. The company shall indemnify and hold harmless Indemnitee, and shall pay to Indemnitee in advance of the final disposition of any Proceeding all Expenses incurred by Indemnitee in defending any such Proceeding, to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, all on the terms and conditions set forth in this Agreement. Without diminishing the scope of the rights provided by this Section, the rights of Indemnitee to indemnification and advancement of Expenses provided hereunder shall include but shall not be limited to those rights hereinafter set forth, except that no indemnification or advancement of Expenses shall be paid to Indemnitee:

- (a) to the extent expressly prohibited by applicable law or the certificate of incorporation or bylaws of the company;
- (b) for and to the extent that payment is actually made to Indemnitee under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, provision of the certificate of incorporation or bylaws, or agreement of the company or any other company or other enterprise where Indemnitee is or was serving at the request of the company (and Indemnitee shall reimburse the company for any amounts paid by the company and subsequently so recovered by Indemnitee);
- (c) in connection with an action, suit, or proceeding, or part thereof initiated by Indemnitee (including claims and counterclaims, whether such counterclaims are asserted by (i) Indemnitee, or (ii) the company in an action, suit, or proceeding initiated by Indemnitee), except a judicial proceeding or arbitration pursuant to Section 10 to enforce rights under this Agreement, unless the action, suit, or proceeding, or part thereof, was authorized or ratified by the board of directors of the company;
- (d) with respect to any Proceeding brought by or in the right of the company against Indemnitee that is authorized by the board of directors of the company, except as provided in Sections 4, 5 and 6 below.

3. Action or Proceedings Other than an Action by or in the Right of the Company. Except as limited by Section 2 above, Indemnitee shall be entitled to the indemnification rights provided in this Section if Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding (other than an action by or in the right of the company) by reason of the fact that Indemnitee is or was a director, officer, employee, agent, or trustee of the company or while a director, officer, employee, agent, or trustee of the company is or was serving at the request of the company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan, or by reason of anything done or not done by Indemnitee in any such capacity. Pursuant to this Section, Indemnitee shall be indemnified against all expense, liability, and loss (including judgments, fines, ERISA excise taxes or penalties, amounts paid in settlement by or on behalf of Indemnitee, and Expenses) actually and reasonably incurred by Indemnitee in connection with such Proceeding, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of

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the company, and with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

4. Indemnity in Proceedings by or in the Right of the Company. Except as limited by Section 2 above, Indemnitee shall be entitled to the indemnification rights provided in this Section if Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding brought by or in the right of the company to procure a judgment in its favor by reason of the fact that Indemnitee is or was a director, officer, employee, agent, or trustee of the company or while a director, officer, employee, agent, or trustee of the company is or was serving at the request of the company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan, or by reason of anything done or not done by Indemnitee in any such capacity. Pursuant to this Section, Indemnitee shall be indemnified against all expense, liability, and loss (including judgments, fines, ERISA excise taxes or penalties, amounts paid in settlement by or on behalf of Indemnitee, and Expenses) actually and reasonably incurred by Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the company; provided, however, that no such indemnification shall be made in respect of any claim, issue, or matter as to which Delaware law expressly prohibits such indemnification by reason of any adjudication of liability of Indemnitee to the company, unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is entitled to indemnification for such expense, liability and loss as such court shall deem proper.

5. Indemnification for Costs, Charges and Expenses of Successful Party. Notwithstanding the limitations of Section 2, 3 and 4 above, to the extent that Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of any Proceeding, or in defense of any claim, issue or matter therein, including, without limitation, the dismissal of any action without prejudice, or if it is ultimately determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that Indemnitee is otherwise entitled to be indemnified against Expenses, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred in connection therewith.

6. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the company for some or a portion of the expense, liability, and loss (including judgments, fines, ERISA excise taxes or penalties, amounts paid in settlement by or on behalf of Indemnitee, and Expenses) actually and reasonably incurred in connection with any Proceeding, or in connection with any judicial proceeding or arbitration pursuant to Section 10 to enforce rights under this Agreement, but not, however, for all of the total amount thereof, the company shall nevertheless indemnify Indemnitee for the portion of such expense, liability, and loss actually and reasonably incurred to which Indemnitee is entitled.

7. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the maximum extent permitted by applicable law, Indemnitee shall be entitled to indemnification against all Expenses actually and reasonably incurred or suffered by Indemnitee or on Indemnitee's behalf if Indemnitee appears as a witness or otherwise incurs

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legal expenses as a result of or related to Indemnitee's service as a director or officer of the company, in any threatened, pending, or completed action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative, or legislative hearing, investigation, or any other threatened, pending, or completed or proceeding, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which Indemnitee neither is, nor is threatened to be made, a party.

8. Determination of Entitlement to Indemnification. To receive indemnification under this Agreement, Indemnitee shall submit a written request to the secretary of the company. Such request shall include documentation or information that is necessary for such determination and is reasonably available to Indemnitee. Upon receipt by the secretary of the company of a written request by Indemnitee for indemnification pursuant to this Agreement, the entitlement of Indemnitee to indemnification, to the extent not provided pursuant to the terms of this Agreement, shall be determined by the following person or persons who shall be empowered to make such determination: (a) the board of directors of the company by a majority vote of Disinterested Directors, whether or not such majority constitutes a quorum; (b) a committee of Disinterested Directors designated by a majority vote of such directors, whether or not such majority constitutes a quorum; (c) if there are no Disinterested Directors, or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the board of directors, a copy of which shall be delivered to Indemnitee; (d) the stockholders of the company; or (e) if a Change in Control has occurred and Indemnitee specifically so requests in Indemnitee's written request for indemnification, by Independent Counsel in a written opinion to the board of directors, a copy of which shall be delivered to Indemnitee. Such Independent Counsel shall be selected by the board of directors and approved by Indemnitee, except that in the event that a Change in Control has occurred and Indemnitee requests a determination by Independent Counsel, Independent Counsel shall be selected by Indemnitee. Upon failure of the board of directors so to select such Independent Counsel or upon failure of Indemnitee so to approve (or so to select, in the event a Change in Control has occurred), such Independent Counsel shall be selected upon application to a court of competent jurisdiction. The determination of entitlement to indemnification shall be made and, unless a contrary determination is made, such indemnification shall be paid in full by the company not later than 30 calendar days after receipt by the secretary of the company of a written request for indemnification. If the person making such determination shall determine that Indemnitee is entitled to indemnification as to part (but not all) of the application for indemnification, such person shall reasonably prorate such partial indemnification among the claims, issues, or matters at issue at the time of the determination.

9. Presumptions and Effect of Certain Proceedings. The secretary of the company shall, promptly upon receipt of Indemnitee's written request for indemnification, advise in writing the board of directors or such other person or persons empowered to make the determination as provided in Section 8 that Indemnitee has made such request for indemnification. Upon making such request for indemnification, Indemnitee shall be presumed to be entitled to indemnification hereunder, and the company shall have the burden of proof in making any determination contrary to such presumption. If the person or persons so empowered to make such determination shall have failed to make the requested determination with respect to indemnification within 30 calendar days after receipt by the secretary of the company of such request, a requisite determination of entitlement to indemnification shall be deemed to have been made, and Indemnitee shall be absolutely entitled to such indemnification, absent actual fraud in

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the request for indemnification. The termination of any Proceeding described in Sections 3 or 4 by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself: (a) create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the company, or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful; or (b) otherwise adversely affect the rights of Indemnitee to indemnification except as may be provided herein.

10. Remedies of Indemnitee in Cases of Determination not to Indemnify or to Advance Expenses In the event that a determination is made that Indemnitee is not entitled to indemnification hereunder or if payment has not been timely made following a determination of entitlement to indemnification pursuant to Sections 8 and 9, or if an advancement of Expenses is not paid pursuant to Section 15, Indemnitee may at any time thereafter bring suit against the company in a court of competent jurisdiction in the State of Delaware seeking an adjudication of entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee at Indemnitee's option may seek an award in an arbitration to be conducted by a single arbitrator in the State of Delaware pursuant to the rules of the American Arbitration Association, such award to be made within 60 calendar days following the filing of the demand for arbitration. The company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration. In any suit or arbitration brought by Indemnitee to enforce a right to indemnification hereunder (but not in a suit or arbitration brought by Indemnitee to enforce a right to an advancement of Expenses), it shall be a defense that Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the company and, with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful. Further, in any suit brought by the company to recover an advancement of Expenses pursuant to the terms of an undertaking, the company shall be entitled to recover such Expenses upon a final judicial decision of a court of competent jurisdiction from which there is no further right to appeal that Indemnitee has not met the standard of conduct described above. Neither the failure of the company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Counsel, or its stockholders) to have made a determination prior to the commencement of such suit or arbitration that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the standard of conduct described above, nor an actual determination by the company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Counsel, or its stockholders) that Indemnitee has not met the standard of conduct described above shall create a presumption that Indemnitee has not met the standard of conduct described above, or, in the case of such a suit brought by Indemnitee, be a defense to such suit. In any suit brought by Indemnitee to enforce a right to indemnification or to an advancement of Expenses hereunder, or brought by the company to recover an advancement of Expenses pursuant to the terms of an undertaking, the burden of proving that Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Section 10 or otherwise shall be on the company. If a determination is made or deemed to have been made pursuant to the terms of Section 8 or 9 that Indemnitee is entitled to indemnification, the company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding and enforceable. The company further agrees to stipulate in any such court or before any such arbitrator pursuant to this Section 10 that the company is bound by all the provisions of this Agreement and is precluded from making any

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assertions to the contrary. If the court or arbitrator shall determine that Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the company shall pay all Expenses actually and reasonably incurred by Indemnitee in connection with such adjudication or award in arbitration (including, but not limited to, any appellate proceedings) to the fullest extent permitted by law, and in any suit brought by the company to recover an advancement of Expenses pursuant to the terms of an undertaking, the company shall pay all Expenses actually and reasonably incurred by Indemnitee in connection with such suit to the extent Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of such suit, to the fullest extent permitted by law.

11. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of Expenses provided by this Agreement shall not be deemed exclusive of any other right that Indemnitee may now or hereafter acquire under any applicable law, agreement, vote of stockholders or Disinterested Directors, provisions of the certificate of incorporation or bylaws, or otherwise.

12. Expenses to Enforce Agreement. In the event that Indemnitee is subject to or intervenes in any action, suit or proceeding in which the validity or enforceability of this Agreement is at issue or seeks an adjudication or award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee, if Indemnitee prevails in whole or in part in such action, suit or proceeding shall be entitled to recover from the company and shall be indemnified by the company against any Expenses actually and reasonably incurred by Indemnitee in connection therewith.

13. Continuation of Indemnity. All agreements and obligations of the company contained herein shall continue during the period Indemnitee is a director, officer, employee, agent, or trustee of the company or while a director, officer, employee, agent, or trustee is serving at the request of the company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan, and shall continue thereafter with respect to any possible claims based on the fact that Indemnitee was a director, officer, employee, agent, or trustee of the company or was serving at the request of the company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan. This Agreement shall be binding upon all successors and assigns of the company (including any transferee of all or substantially all of its assets and any successor by merger or operation of law) and shall inure to the benefit of Indemnitee's heirs, executors, and administrators.

14. Notification and Defense of Claim. Promptly after receipt by Indemnitee of notice of any Proceeding, Indemnitee shall, if a request for indemnification or an advancement of Expenses in respect thereof is to be made against the company under this Agreement, notify the company in writing of the commencement thereof; but the omission so to notify the company will not relieve it from any liability that it may have to Indemnitee. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding of which Indemnitee notifies the company:

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(a) The company shall be entitled to participate therein at its own expense; and

(b) Except as otherwise provided in this Section 14(b), to the extent that it may wish, the company, jointly with any other indemnifying party similarly notified, shall be entitled to assume the defense thereof, with counsel satisfactory to Indemnitee. After notice from the company to Indemnitee of its election so to assume the defense thereof, the company shall not be liable to Indemnitee under this Agreement for any expenses of counsel subsequently incurred by Indemnitee in connection with the defense thereof except as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the company of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the company and Indemnitee in the conduct of the defense of such Proceeding, or (iii) the company shall not within 60 calendar days of receipt of notice from Indemnitee in fact have employed counsel to assume the defense of the Proceeding, in each of which cases the fees and expenses of Indemnitee's counsel shall be at the expense of the company. The company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the company or as to which Indemnitee shall have made the conclusion provided for in (ii) above; and

(c) If the company has assumed the defense of a Proceeding, the company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the company's written consent, or for any judicial or arbitral award if the company was not given an opportunity, in accordance with this Section 14, to participate in the defense of such Proceeding. The company shall not settle any Proceeding in any manner that would impose any penalty or limitation on or disclosure obligation with respect to Indemnitee without Indemnitee's written consent. Neither the company nor Indemnitee will unreasonably withhold its consent to any proposed settlement.

15. Advancement of Expenses. All Expenses incurred by Indemnitee in defending any Proceeding described in Section 3 or 4 shall be paid by the company in advance of the final disposition of such Proceeding at the request of Indemnitee. To receive an advancement of Expenses under this Agreement, Indemnitee shall submit a written request to the secretary of the company. Such request shall reasonably evidence the Expenses incurred by Indemnitee in connection therewith and shall include or be accompanied by an undertaking, in substantially the form attached as Exhibit 1, by or on behalf of Indemnitee, to repay all amounts so advanced if it shall ultimately be determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that Indemnitee is not entitled to be indemnified for such Expenses by the company as provided by this Agreement or otherwise. The Indemnitee's undertaking to reimburse any such amounts is not required to be secured. Each such advancement of Expenses shall be made within 20 calendar days after the receipt by the secretary of the company of such written request. The Indemnitee's entitlement to Expenses under this Agreement shall include those incurred in connection with any action, suit, or proceeding by Indemnitee seeking an adjudication or award in arbitration pursuant to Section 10 of this Agreement (including the enforcement of this provision) to the extent the court or arbitrator shall determine that Indemnitee is entitled to an advancement of Expenses hereunder.

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16. Separability; Prior Indemnification Agreements. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent of the parties that the company provide protection to Indemnitee to the fullest enforceable extent. This Agreement shall supersede and replace any prior indemnification agreements entered into by and between the company and Indemnitee and any such prior agreements shall be terminated upon execution of this Agreement.

17. Headings; References; Pronouns. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. References herein to section numbers are to sections of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as appropriate.

18. Definitions. For purposes of this Agreement:

(a) "Change in Control" will be deemed to take place on the occurrence of any of the following events: (i) any merger or consolidation of the

“Employer” (which includes the company and/or its “Affiliates” or “Associates,” as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 or any successor provision), in which the Employer is not the surviving organization, a majority of the capital stock of which is not owned by the stockholders of the Employer immediately prior to such merger or consolidation; (ii) a transfer of all or substantially all of the assets of the Employer; (iii) any other corporate reorganization in which there is a change in ownership of the outstanding shares of the Employer wherein 30% or more of the outstanding shares of the Employer are transferred to any “Person” (as that term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934 or any successor provisions); (iv) the acquisition by or transfer to a Person (including all Affiliates or Associates of such Person) of “beneficial ownership” (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934 or any successor provision) of capital stock of the Employer if after such acquisition or transfer such Person (and their Affiliates or Associates) is entitled to exercise 30% or more of the outstanding voting power of all capital stock of the Employer entitled to vote in elections of directors; or (v) the election to the board of directors of the Employer of candidates who were not recommended for election by the board of directors of the Employer in office immediately prior to the election, if such candidates constitute a majority of those elected in that particular election.

(b) “Disinterested Director” means a director of the company who is not or was not a party to the Proceeding in respect of which indemnification is being sought by Indemnitee.

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(c) “Expenses” includes, without limitation, expenses incurred in connection with the defense or settlement of any action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative, or legislative hearing, investigation, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the company or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, attorneys’ fees, witness fees and expenses, fees and expenses of accountants and other advisors, retainers and disbursements and advances thereon, the premium, security for, and other costs relating to any bond (including cost bonds, appraisal bonds, or their equivalents), and any expenses of establishing a right to indemnification or advancement under Sections 8, 10, 12 and 15 hereof, but shall not include the amount of judgments, fines, ERISA excise taxes, or penalties actually levied against Indemnitee, or any amounts paid in settlement by or on behalf of Indemnitee.

(d) “Independent Counsel” means a law firm or a member of a law firm that neither is presently nor in the past five years has been retained to represent: (i) the company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a request for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the company or Indemnitee in an action to determine Indemnitee’s right to indemnification under this Agreement.

(e) “Proceeding” means any action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative, or legislative hearing, investigation, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the company or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which Indemnitee was or is a party or is threatened to be made a party or is otherwise involved in by reason of the fact that Indemnitee is or was a director, officer, employee, agent, or trustee of the company or while a director, officer, employee, agent, or trustee of the company is or was serving at the request of the company as a director, officer, employee, agent, or trustee of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan, or by reason of anything done or not done by Indemnitee in any such capacity, whether or not Indemnitee is serving in such capacity at the time any expense, liability, or loss is incurred for which indemnification or advancement can be provided under this Agreement.

19. Other Provisions.

(a) This Agreement and all disputes or controversies arising out of or related to this Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the laws of any other jurisdiction that might be applied because of conflicts of laws principles of the State of Delaware.

(b) This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

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(c) This Agreement shall not be deemed an employment contract between the company and any Indemnitee who is an officer of the company, and, if Indemnitee is an officer of the company, Indemnitee specifically acknowledges that Indemnitee may be discharged at any time for any reason, with or without cause, and with or without severance compensation, except as may be otherwise provided in a separate written contract between Indemnitee and the company.

(d) Upon a payment to Indemnitee under this Agreement, the company shall be subrogated to the extent of such payment to all of the rights of Indemnitee to recover against any person for such liability, and Indemnitee shall execute all documents and instruments required and shall take such other actions as may be necessary to secure such rights, including the execution of such documents as may be necessary for the company to bring suit to enforce such rights.

(e) This Agreement may not be amended, modified, or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each party. No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, shall preclude any other or further exercise thereof or the exercise of any other right or power.

(f) All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if: (a) actually received; or (b) mailed by certified or registered mail, postage prepaid, on the third business day after the date on which it is so mailed. Notices, requests and demands pursuant to this Agreement shall be provided to: the company (to the attention of the General Counsel, at 1720 North First Street, San Jose, CA 95112 and the Chief Financial Officer, at 1720 North First Street, San Jose, CA 95112; with a copy to Gibson, Dunn & Crutcher LLP, One Montgomery Street, 31st Floor, San Francisco, CA 94104.

(g) This Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

CALIFORNIA WATER SERVICE GROUP

By \_\_\_\_\_

EXHIBIT 1

UNDERTAKING TO REPAY INDEMNIFICATION EXPENSES

I \_\_\_\_\_, agree to reimburse California Water Service Group (the “company”) for all Expenses paid to me by the company in connection with any Proceeding (each as defined in the Indemnification Agreement dated as of \_\_\_\_\_ between me and the company), in the event, and to the extent that it shall ultimately be determined by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal that I am not entitled to be indemnified by the company for such Expenses.

Signature

Typed Name

Date

Office

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## NEWS RELEASE



## CALIFORNIA WATER SERVICE GROUP

1720 North First Street  
San Jose, CA 95112-4598

May 22, 2012  
*For Immediate Release*

Contact: Shannon Dean (310) 257-1435

**CALIFORNIA WATER SERVICE GROUP CHAIRMAN ROBERT W. FOY  
TO RETIRE AFTER 35 YEARS OF SERVICE**

SAN JOSE, CA — California Water Service Group (NYSE : CWT) Chairman Robert W. Foy will retire from the Board of Directors on May 22, 2012, when he reaches the retirement age for directors set forth in the by-laws of the company.

According to President and Chief Executive Officer Peter C. Nelson, Foy's retirement marks an end of era.

"Bob is a true gentleman and a great leader. He has had a remarkable tenure, and he has made an indelible mark on the water company and on the industry nationwide," Nelson said.

Foy joined the Board of Directors in 1977, when the company sought him for his experience in a regulated industry and for his role as a business leader and icon in the community of Stockton, California, which was home to the utility's largest service area at the time. He was elected Chairman in 1996.

Through the years, Foy has been active with the National Association of Water Companies and the California Water Association. He has served as an ambassador for the company and the industry, and has become a friend to many, due largely to his business leadership skills and his charismatic and warm personality.

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During his tenure on the Board of California Water Service Group, the company has grown from a single-state company with \$205 million in utility assets serving 296,000 customers to a company with more than \$1 billion in utility assets serving nearly 500,000 customers in four states.

"I love this company dearly, and it has been an honor to contribute to the significant changes that have occurred here during the last three-and-a-half decades," Foy said. "I want to express my sincere appreciation to our employees, directors, and stockholders for letting me be a part of this fine organization."

The former President and Chief Executive Officer of the Pacific Storage Company will continue to be active in the City of Stockton, which named him "Stocktonian of the Year" in 2009. He will also continue to serve as director and an owner of Pacific Storage, a Stockton-headquartered diversified transportation, warehousing, and business records management company.

Foy is also looking forward to having more time to support the intercollegiate athletic teams of his alma mater, San Jose State University.

Nelson will assume the combined role of Chairman, President, and Chief Executive Officer upon Foy's retirement. Douglas M. Brown, who joined the California Water Service Group Board of Directors in 2001 and is currently the Dean of the Anderson School of Management at the University of New Mexico, will continue to serve as lead director.

California Water Service Group is the parent company of California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, Hawaii Water Service Company, Inc., CWS Utility Services, and HWS Utility Services, LLC. Together these companies provide regulated and non-regulated water service to approximately 2 million

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people in more than 100 California, Washington, New Mexico, and Hawaii communities. Group's common stock trades on the New York Stock Exchange under the symbol "CWT."

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## NEWS RELEASE



## CALIFORNIA WATER SERVICE GROUP

1720 North First Street  
San Jose, CA 95112-4598



May 22, 2012  
For Immediate Release

Contact: Shannon Dean (310) 257-1435

**CALIFORNIA WATER SERVICE GROUP'S PRESIDENT & CEO  
PETER C. NELSON TO SUCCEED RETIRING CHAIR ROBERT W. FOY**

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**Director Doug Brown to Continue to Serve as Lead Director**

SAN JOSE, CA — California Water Service Group (NYSE : CWT) today announced its Board of Directors' plan to combine the roles of Chairman and President & Chief Executive Officer and have President & Chief Executive Officer Peter C. Nelson succeed retiring Chairman Robert W. Foy, effective May 22, 2012. Douglas M. Brown will continue to serve as lead director.

Foy, a 35-year Board veteran who has reached retirement age for directors, expressed confidence in the decision: "Pete has demonstrated his leadership ability and we are confident that he will do a fine job as President, Chief Executive Officer, and Chairman of the Board. It makes good business sense to streamline decision-making and capitalize on Pete's extensive experience and expertise."

Nelson was elected President & Chief Executive Officer of California Water Service Group in 1996. Prior to joining the company, he had increasingly responsible positions in engineering, construction management, marketing, corporate and diversification planning, finance, operations, and general management at Pacific Gas & Electric Company.

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Nelson holds a Bachelor of Science Degree in Mechanical Engineering from the University of California, Davis, and a Masters of Business Administration from the University of Massachusetts, Amherst. He serves as director of the California Chamber of Commerce and chairs the organization's Water Resources Committee. He is also a director of the California Foundation on the Environment and the Economy, a senior fellow of the American Leadership Forum, and an advisory council member at the Center for Public Utilities, New Mexico State University. Past affiliations include president of the National Association of Water Companies, director of the Bay Area Water Supply and Conservation Agency, and founding director of the Joint Venture: Silicon Valley Leadership Group.

Douglas M. Brown, who joined the California Water Service Group Board of Directors in 2001 and is currently the Dean of the Anderson School of Management at the University of New Mexico, will continue to serve as lead director.

California Water Service Group is the parent company of California Water Service Company, Washington Water Service Company, New Mexico Water Service Company, Hawaii Water Service Company, Inc., CWS Utility Services, and HWS Utility Services, LLC. Together these companies provide regulated and non-regulated water service to approximately 2 million people in more than 100 California, Washington, New Mexico and Hawaii communities. Group's common stock trades on the New York Stock Exchange under the symbol "CWT."

*This news release contains forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995 ("Act"). The forward-looking statements are intended to qualify under provisions of the federal securities laws for "safe harbor" treatment established by the Act. Forward-looking statements are based on currently available information, expectations, estimates, assumptions and projections, and management's judgment about the Company, the water utility industry and general economic conditions. Such words as expects, intends, plans, believes, estimates, assumes, anticipates, projects, predicts, forecasts or variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not guarantees of future performance. They are subject to uncertainty and changes in circumstances. Actual results may vary materially from what is contained in a forward-looking statement. Factors that may cause a result different than expected or anticipated include but are not limited to: governmental and regulatory commissions' decisions, including decisions on proper disposition of property; changes in regulatory commissions' policies and procedures; the timeliness of regulatory commissions' actions*

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*concerning rate relief; new legislation; changes in accounting valuations and estimates; the ability to satisfy requirements related to the Sarbanes-Oxley Act and other regulations on internal controls; electric power interruptions; increases in suppliers' prices and the availability of supplies including water and power; fluctuations in interest rates; changes in environmental compliance and water quality requirements; acquisitions and our ability to successfully integrate acquired companies; the ability to successfully implement business plans; changes in customer water use patterns; the impact of weather on water sales and operating results; access to sufficient capital on satisfactory terms; civil disturbances or terrorist threats or acts, or apprehension about the possible future occurrences of acts of this type; the involvement of the United States in war or other hostilities; restrictive covenants in or changes to the credit ratings on our current or future debt that could increase our financing costs or affect our ability to borrow, make payments on debt or pay dividends; and, other risks and unforeseen events. When considering forward-looking statements, you should keep in mind the cautionary statements included in this paragraph. The Company assumes no obligation to provide public updates of forward-looking statements.*

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